



## Zone Map Amendment (Rezoning) - Application

PROPERTY OWNER INFORMATION*		PROPERTY OWNER(S) REPRESENTATIVE**	
<input type="checkbox"/> CHECK IF POINT OF CONTACT FOR APPLICATION		<input checked="" type="checkbox"/> CHECK IF POINT OF CONTACT FOR	
Property Owner Name	1401 Zuni Investments, LLC	Representative Name	Urban Ventures, LLC
Address	1600 Wynkoop St. Suite 200	Address	1600 Wynkoop St., Suite 200
City, State, Zip	Denver, CO 80202	City, State, Zip	Denver, CO 80202
Telephone	303-446-0761	Telephone	303-446-0761
Email	susan@urbanventuresllc.com	Email	shannon@urbanventuresllc.com
<p><b>*If More Than One Property Owner:</b> All standard zone map amendment applications shall be initiated by all the owners of at least 51% of the total area of the zone lots subject to the rezoning application, or their representatives authorized in writing to do so. See page 3.</p>		<p><b>**Property owner shall provide a written letter authorizing the representative to act on his/her behalf.</b></p>	
<p>Please attach Proof of Ownership acceptable to the Manager for each property owner signing the application, such as (a) Assessor's Record, (b) Warranty deed or deed of trust, or (c) Title policy or commitment dated no earlier than 60 days prior to application date.</p> <p>If the owner is a corporate entity, proof of authorization for an individual to sign on behalf of the organization is required. This can include board resolutions authorizing the signer, bylaws, a Statement of Authority, or other legal documents as approved by the City Attorney's Office.</p>			
SUBJECT PROPERTY INFORMATION			
Location (address and/or boundary description):	2060 W Colfax Avenue Denver, CO 80204		
Assessor's Parcel Numbers:	05042-03-017-000		
Area in Acres or Square Feet:	96,212 SF		
Current Zone District(s):	C-MX-5		
PROPOSAL			
Proposed Zone District:	C-MX-8		

REVIEW CRITERIA	
<p>General Review Criteria: The proposal must comply with all of the general review criteria DZC Sec. 12.4.10.7</p>	<p><input checked="" type="checkbox"/> Consistency with Adopted Plans: The proposed official map amendment is consistent with the City's adopted plans, or the proposed rezoning is necessary to provide land for a community need that was not anticipated at the time of adoption of the City's Plan. Please provide an attachment describing relevant adopted plans and how proposed map amendment is consistent with those plan recommendations; or, describe how the map amendment is necessary to provide for an unanticipated community need.</p> <p><input checked="" type="checkbox"/> Uniformity of District Regulations and Restrictions: The proposed official map amendment results in regulations and restrictions that are uniform for each kind of building throughout each district having the same classification and bearing the same symbol or designation on the official map, but the regulations in one district may differ from those in other districts.</p> <p><input checked="" type="checkbox"/> Public Health, Safety and General Welfare: The proposed official map amendment furthers the public health, safety, and general welfare of the City.</p>
<p>Additional Review Criteria for Non-Legislative Rezoning: The proposal must comply with both of the additional review criteria DZC Sec. 12.4.10.8</p>	<p><b>Justifying Circumstances - One of the following circumstances exists:</b></p> <p><input type="checkbox"/> The existing zoning of the land was the result of an error.</p> <p><input type="checkbox"/> The existing zoning of the land was based on a mistake of fact.</p> <p><input type="checkbox"/> The existing zoning of the land failed to take into account the constraints on development created by the natural characteristics of the land, including, but not limited to, steep slopes, floodplain, unstable soils, and inadequate drainage.</p> <p><input checked="" type="checkbox"/> Since the date of the approval of the existing Zone District, there has been a change to such a degree that the proposed rezoning is in the public interest. Such change may include:</p> <p style="margin-left: 20px;">a. Changed or changing conditions in a particular area, or in the city generally; or</p> <p style="margin-left: 20px;">b. A City adopted plan; or</p> <p style="margin-left: 20px;">c. That the City adopted the Denver Zoning Code and the property retained Former Chapter 59 zoning.</p> <p><input type="checkbox"/> It is in the public interest to encourage a departure from the existing zoning through application of supplemental zoning regulations that are consistent with the intent and purpose of, and meet the specific criteria stated in, Article 9, Division 9.4 (Overlay Zone Districts), of this Code. Please provide an attachment describing the justifying circumstance.</p> <p><input checked="" type="checkbox"/> The proposed official map amendment is consistent with the description of the applicable neighborhood context, and with the stated purpose and intent of the proposed Zone District. Please provide an attachment describing how the above criterion is met.</p>
REQUIRED ATTACHMENTS	
Please ensure the following required attachments are submitted with this application:	
<p><input checked="" type="checkbox"/> Legal Description (required to be attached in Microsoft Word document format)</p> <p><input checked="" type="checkbox"/> Proof of Ownership Document(s)</p> <p><input checked="" type="checkbox"/> Review Criteria, as identified above</p>	
ADDITIONAL ATTACHMENTS	
Please identify any additional attachments provided with this application:	
<p><input checked="" type="checkbox"/> Written Authorization to Represent Property Owner(s)</p> <p><input checked="" type="checkbox"/> Individual Authorization to Sign on Behalf of a Corporate Entity</p>	
Please list any additional attachments:	
<ol style="list-style-type: none"> <li>1. 2060 Rezoning Slide Deck (presented to RNOs, adjacent landowners , etc.)</li> <li>2. La Alma Lincoln Park RNO Letter of Support</li> </ol>	



# REZONING GUIDE

Rezoning Application Page 3 of 3

## PROPERTY OWNER OR PROPERTY OWNER(S) REPRESENTATIVE CERTIFICATION/PETITION

We, the undersigned represent that we are the owners of the property described opposite our names, or have the authorization to sign on behalf of the owner as evidenced by a Power of Attorney or other authorization attached, and that we do hereby request initiation of this application. I hereby certify that, to the best of my knowledge and belief, all information supplied with this application is true and accurate. I understand that without such owner consent, the requested official map amendment action cannot lawfully be accomplished.

Property Owner Name(s) (please type or print legibly)	Property Address City, State, Zip Phone Email	Property Owner Interest % of the Area of the Zone Lots to Be Rezoned	Please sign below as an indication of your consent to the above certification statement	Date	Indicate the type of ownership documentation provided: (A) Assessor's record, (B) warranty deed or deed of trust, (C) title policy or commitment, or (D) other as approved	Has the owner authorized a representative in writing? (YES/NO)
<b>EXAMPLE</b> John Alan Smith and Josie Q. Smith	123 Sesame Street Denver, CO 80202 (303) 555-5555 sample@sample.gov	100%	<i>John Alan Smith</i> <i>Josie Q. Smith</i>	01/01/12	(A)	YES
1401 Zuni Investments, LLC Susan Powers, Manager	2060 W Colfax Avenue Denver, CO 80204 303-446-0761 susan@urbanventuresllc.com	100%	<i>Susan Powers</i>	08/28/19	(A)	YES
Shannon Cox Baker, VP Development, Urban Ventures, LLC	shannon@urbanventuresllc.com		<i>Shannon Cox Baker</i>	08/28/19	(A)	YES

Last updated: May 24, 2018

Return completed form to rezoning@denvergov.org

201 W. Colfax Ave., Dept. 205  
Denver, CO 80202  
720-865-2974 • rezoning@denvergov.org

2060 W Colfax Ave

**Legal Description**

A PARCEL OF LAND BEING ALL OF LOTS 4 THROUGH 7, INCLUSIVE, BLOCK 7, BAKER'S VILLA; ALL OF LOTS 4 THROUGH 7, INCLUSIVE BLOCK 3, BAKER'S SUBDIVISION; AND A PORTION OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 4 SOUTH, RANGE 68 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 4, BLOCK 7, BAKER'S VILLA;  
THENCE SOUTH 00°00'30" EAST ALONG THE EAST LINE OF SAID BLOCK 7 AND THE EAST LINE OF SAID LOT 4, BLOCK 3, A DISTANCE OF 380.00 FEET TO THE NORTH LINE OF WEST 14<sup>TH</sup> AVENUE;  
THENCE SOUTH 89°59'30" WEST ALONG SAID NORTH LINE, A DISTANCE OF 281.62 FEET TO THE EAST LINE OF THE PARCEL DESCRIBED AT RECEPTION NO. 20000168407;  
THENCE ALONG SAID EAST LINE AND THE EAST LINE OF THE PARCEL DESCRIBED AT RECEPTION NO. 2002010721 THE FOLLOWING TWO COURSES;  
1) NORTH 06°28'30" EAST, A DISTANCE OF 168.15 FEET;  
2) NORTH 12°53'07" EAST, A DISTANCE OF 223.42 FEET TO THE SOUTH LINE OF WEST COLFAX AVENUE;  
THENCE ALONG SAID SOUTH LINE THE FOLLOWING TWO (2) COURSES:  
SOUTH 69°09'35" EAST, A DISTANCE OF 13.67 FEET;  
NORTH 89°59'30" EAST, A DISTANCE OF 200.00 FEET TO THE POINT OF BEGINNING,  
CITY AND COUNTY OF DENVER, STATE OF COLORADO.



## Denver Property Taxation and Assessment System

[New Search](#)

2060 W COLFAX AVE

Owner	Schedule Number	Legal Description
1401 ZUNI INVESTMENTS LLC 1600 WYNKOOP ST 200 DENVER, CO 80202-1157	05042-03-017-000	T4 R68 S5 PT NE/4 BEG NE COR L4 B7 BAKER'S VILLA TH S 380FTW 281.62FT N6.283E 168.151 N12.5307E 223.42FT S69.0935E 13.67FT N89.5930E 200FT TPOB

[Summary](#) [Property Map](#) [Assessed Values](#) [Assessment Protest](#) [Taxes](#) [Comparables](#) [Neighborhood Sales](#) [Chai](#)

### Additional Property Information

[Clear results](#)

#### Zoning

Zone District: C-MX-5  
Code Version:  
[Zoning Map](#)

[Details](#)

#### Neighborhood

Lincoln Park

[Details](#)

#### Subdivision

Baker's Subdivision

[Details](#)

#### Historic Landmark District

No

[Details](#)

#### Individual Historic Landmark

No

[Details](#)

#### Enterprise Zone

Yes

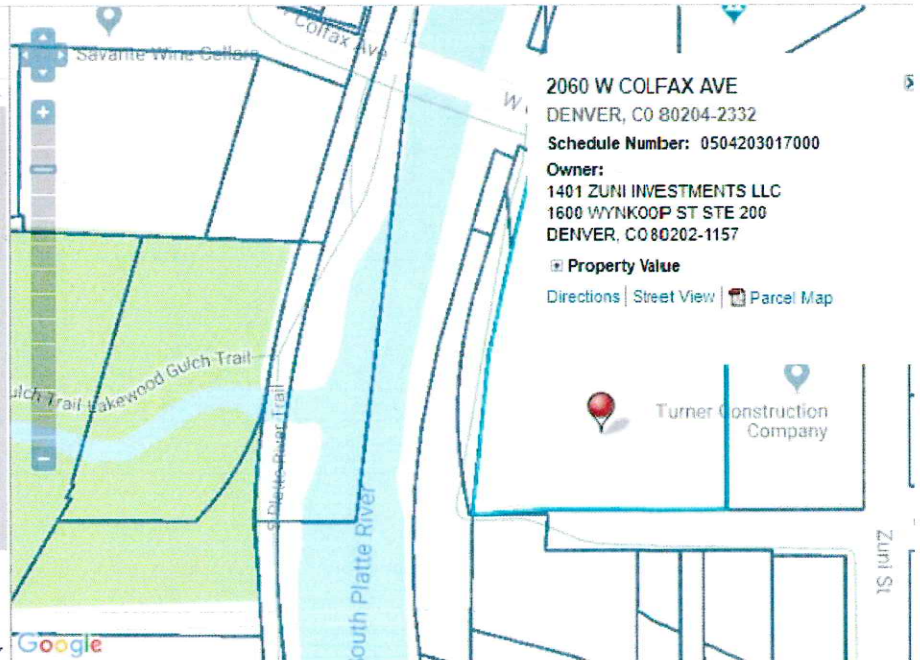
[Details](#)

#### Floodplain Designation

Click Details button for floodplain information for this location.

[Details](#)

#### Downloadable Maps



**OPERATING AGREEMENT  
OF  
1401 ZUNI INVESTMENTS, LLC**

**A COLORADO MEMBER-MANAGED  
LIMITED LIABILITY COMPANY**

**August 26, 2014**

THE LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF THE VARIOUS STATES ("STATE SECURITIES LAWS"). THEY HAVE BEEN ISSUED AND SOLD PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS AND MAY NOT, EXCEPT AS SPECIFICALLY PROVIDED HEREIN, BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED BY THE HOLDERS THEREOF AT ANY TIME EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY'S MANAGING MEMBER THAT SUCH SECURITIES MAY BE TRANSFERRED WITHOUT REGISTRATION OR QUALIFICATION, THAT SUCH TRANSFER DOES NOT RESULT IN A TERMINATION OF THE COMPANY AS A PARTNERSHIP FOR TAX PURPOSES, AND THAT SUCH TRANSFER DOES NOT CAUSE THE COMPANY TO BE CLASSIFIED AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

**MEMBERS:**

1401 ZUNI STREET, LLC  
ZUNI CORRIDOR, LLC

## OPERATING AGREEMENT

OF

### 1401 ZUNI INVESTMENTS, LLC

#### A Colorado Member-Managed Limited Liability Company

THIS OPERATING AGREEMENT is entered into effective as of the 26<sup>th</sup> day of August, 2014, by and among 1401 Zuni Street, LLC, a Colorado limited liability company (“**1401 Zuni Street**”), as a Member, and Zuni Corridor, LLC, a Colorado limited liability company (“**Zuni Corridor**”), as a Member (each of the foregoing are sometimes hereinafter referred to collectively as the “**Members**” and individually as a “**Member**”). The Parent, as defined herein, of 1401 Zuni Street and the Parent, as defined herein, of Zuni Corridor are each signing this Agreement for the sole and limited purpose of agreeing to be bound by the provisions of Paragraph 6.2 of this Agreement.

#### RECITALS

The Members desire to form 1401 Zuni Investments, LLC, a Colorado limited liability company (the “**Company**”), for the purposes hereinafter set forth and to set forth the understandings among the Members with respect to the terms and conditions of each Member’s interest, rights and obligations with respect to the Company and the management and operation of the Company.

This Operating Agreement fully supercedes and replaces any prior operating agreement for the Company.

#### AGREEMENTS

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, intending to be legally bound, hereby agree as follows:

1. Name. Business Office and Agent for Service.

1.1. Name. The name of the Company is 1401 Zuni Investments, LLC.

1.2. Principal Place of Business. The Company’s principal place of business is 1600 Wynkoop Street, Suite 200, Denver, Colorado 80202, or such other place or places as the Managing Member may hereafter determine. The Company shall continuously maintain in the State of Colorado the Company office which may also be the principal place of business.

1.3. Agent for Service. The name and business address of the initial agent for service of process is Jerrold L. Glick, 1600 Wynkoop Street, Suite 200, Denver, Colorado 80202. The Managing Member may change the Company’s registered agent from time to time as

determined in the sole discretion of the Managing Member without the approval or consent of the Members.

2. Definitions.

2.1. Definitions. The following terms or words, which have their first letter capitalized, used in this Agreement shall have the following meanings:

“**Act**” means the Colorado Limited Liability Act, as set forth in C.R.S. Sections 7-80-101, et seq., as amended from time to time (or any corresponding provisions of succeeding law).

“**Additional Capital Contribution**” is defined in Paragraph 5.2.1.

“**Adjusted Capital Account Deficit**” shall mean with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the taxable year, after giving effect to the following adjustments: (i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(e) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and (ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and will be interpreted consistently with those provisions.

“**Affiliate**” means, with respect to any Person (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any officer, director, shareholder, manager, member or trustee of such Person, or (iii) any Person who is an officer, director, general partner, manager, member or trustee of any Person described in clauses (i) or (ii) of this sentence. For the purposes of this definition, the terms “**controlling**,” “**controlled by**” or “**under common control with**” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract or otherwise, or the power to elect at least fifty percent (50%) of the directors, managers, general partners, or persons exercising similar authority with respect to such Person or entities. The foregoing notwithstanding, neither Member shall constitute an Affiliate of the Company or the other Member.

“**Agreement**” or “**Operating Agreement**” shall mean this Operating Agreement, as amended in writing from time to time.

“**Allocation Year**” means (i) the period commencing on the effective date of this Agreement and ending on the last day of the Company’s taxable year, (ii) any subsequent period commencing on the first day of the Company’s taxable year and ending on the following last day of the Company’s taxable year, or (iii) any portion of the period described in clause (ii) for which



the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to Paragraph 10.

“**Articles of Organization**” or “**Articles**” shall mean the instrument filed pursuant to Section 7-80-203(1) of the Act in the office of the Secretary of State of the State of Colorado.

“**Assignee**” shall mean a Person who has acquired a beneficial interest in all or a part of a Member’s Interest in the Company, but who is not admitted as a Member in accordance with the terms of this Agreement. Assignees shall have no right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members, or to become a Member, and shall only be entitled to receive the profits, losses, distributions and return of contributions to which the assigning or transferring Member would otherwise be entitled.

“**Budget**” shall mean the budget for the Company as approved from time to time by the Members pursuant to Paragraph 13.6.2.

“**Business Day**” means a day of the year on which banks are not required or authorized to close in Denver, Colorado.

“**Capital Account**” shall mean, with respect to any Member, the Capital Account maintained in accordance with Paragraph 8.1.

“**Capital Contribution**” shall mean, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the capital of the Company by a Member (or its predecessors in interest) with respect to the Interest in the Company held by such Person whenever made.

“**Capital Requirement**” is defined in Paragraph 5.2.1.

“**Cash Reserve**” is defined in Paragraph 9.2.

“**Change of Control**” shall mean and be deemed to have occurred: (i) with respect to Zuni Corridor or an Affiliate of Zuni Corridor, if White Group ceases to directly or indirectly Control Zuni Corridor; (ii) with respect to 1401 Zuni Street or an Affiliate of 1401 Zuni Street, if the Urban Group ceases to directly or indirectly Control 1401 Zuni Street; and (iii) with respect to any other entity, if the Person or Persons having Control of such entity has changed as a result of one or a series of transfers of direct or indirect ownership interests in such entity.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent Federal revenue laws.

“**Company**” shall refer to 1401 Zuni Investments, LLC.

“**Company Business**” shall refer to the business of the Company as more fully defined in Paragraph 3.1 of this Agreement.

“**Company Minimum Gain**” has the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

“**Company Office**” shall refer to the office which the Company shall at all times maintain in Colorado at which certain records, documents and information must at all times be maintained pursuant to the Act.

“**Company Property**” means all real and personal property acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

“**Consultants**” means development, design and construction professionals and other development consultants, contractors, legal counsel, and such other professionals as are necessary or convenient to conducting the Company Business.

“**Contracting Affiliate**” shall mean any Affiliate of a Member that has entered into a contractual arrangement or agreement (other than this Agreement) with the Company.

“**Control**” shall mean the right and power, directly or indirectly, by virtue of ownership interests, agreement, applicable law or otherwise, (i) to manage or direct the management of another Person that is a corporation or other entity or (ii) to exercise or direct the exercise of more than 50% of the voting interests in such other Person.

“**Default**” is defined in Paragraph 17.1.

“**Depreciation**” means, for each Allocation Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Allocation Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; *provided, however*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

“**Distributable Cash**” means all cash, revenues and funds received by the Company, less the sum of the following to the extent paid or set aside by the Company:

- (i) All principal and interest payments on indebtedness of the Company and all other sums paid to lenders;
- (ii) All cash expenditures incurred incident to the normal operation of the Company’s business; and
- (iii) The Cash Reserve.

“**Event of Insolvency**” shall mean when any Member: (i) petitions for, obtains or as a result of its petition or other affirmative act becomes subject to an order for relief under the federal bankruptcy code; (ii) petitions for, obtains or as a result of its petition or other affirmative act becomes subject to an order, judgment or decree of insolvency under state law; (iii) makes an assignment for the benefit of creditors; (iv) consents to or suffers the appointment of a receiver, trustee or liquidator to any substantial part of its assets that is not vacated within sixty (60) days; or (v) consents to or suffers an attachment or execution on any substantial part of its assets that is not released within sixty (60) days.

“**Financial Guaranty Obligations**” shall mean recourse obligations, payment guaranties, completion guaranties and indemnities, other than Nonrecourse Carveout Obligations, customarily required by providers of recourse financing pursuant to which the repayment obligations of all or a portion of the entire financing, or the completion of certain improvements, are guaranteed by one or more principals or affiliates of the party obtaining the financing, to the extent approved by the Members.

“**Future Recourse Obligations**” shall mean all Recourse Obligations that both (i) arise out of, or relate to, events, conditions, actions or omissions that occur after the earlier of, or would not have existed had the underlying Loan been repaid in full on, the date of the closing of the purchase of a Member’s Interest under Paragraph 23, and (ii) do not arise out of, and are not attributable to, wrongful acts or omissions of such Member or any of such Member’s Parent or Affiliates, and do not arise out of a breach by such Member or its Parent of its covenants, agreements and obligations under Section 6.2.1.

“**Gross Asset Value**” means with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Members, and further provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Paragraph 5.1 hereof shall be as set forth in such Paragraph;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by the Members as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimus* Capital Contribution; (B) the distribution by the Company to a Member of more than a *de minimus* amount of Company Property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), *provided* that an adjustment described in clauses (A) and (B) of this Paragraph shall be made only if the Members reasonably determine that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section

7701(g) into account) of such asset on the date of distribution as determined by the Members; and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Subparagraph (vi) of the definition of “Profits” and “Losses” or Paragraph 8.2.6 hereof; *provided, however*, that Gross Asset Values shall not be adjusted pursuant to this Subparagraph (iv) to the extent that an adjustment pursuant to Subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this Subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Subparagraph (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

If the Members are unable to agree upon a Gross Asset Value of the Company’s assets pursuant to Subparagraph (ii), each Member shall select an appraiser. The two appraisers shall each proceed to determine the Gross Asset Value of the Company’s assets in accordance with Subparagraph (ii). The Gross Asset Value of the Company’s assets for purposes of Subparagraph (ii) shall be the average of the Gross Asset Value of the Company’s assets determined by the two appraisers unless the two appraisals vary by more than ten percent (10%). In the event the two appraisals vary by more than ten percent (10%) the two appraisers shall select a third appraiser (the “**Third Appraiser**”). The Third Appraiser shall determine the Gross Asset Value of the Company’s assets which appraised value shall be the Gross Asset Value of the Company’s assets for purposes of this Subparagraph (ii) if such value is between the values determined by the other two appraisers. If the Third Appraiser’s value is above or below the values determined by the other two appraisers, then the Gross Asset Value of the Company’s assets for purposes of this Subparagraph (ii) shall be the average of all three valuations.

“**Initial Capital Contribution**” is defined in Paragraph 5.1.

“**Insurance Requirements**” is defined in Paragraph 20.1.

“**Interest**” means the percentage of ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in the Act and this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

“**Lender**” shall mean any lender under a Loan.

“**Loan**” shall mean any loans or other financing obtained by the Company.

“**Losses**” see definition of “Profits” and “Losses” below.

“**Major Decision**” is defined in Paragraph 13.3.

“**Management Claim**” is defined in Paragraph 11.8.

“**Management Discretion**” shall mean the reasonable discretion of the Managing Member, exercised in good faith and in compliance with the Budget, the Operations Plan, the Schedule and the other provisions of this Agreement, subject to the Managing Member’s duty, owing to the Company and its Members, to at all times manage and transact the business of the Company in a manner it reasonably believes in good faith to be in the best interest of the Company, and in the exercise of its reasonable business judgment; *provided* that the duty of the Managing Member shall not restrict or prohibit the Managing Member from engaging in other and competing business activities to the extent permitted in Paragraph 19.3.

“**Managing Member**” shall refer to the Person appointed or elected pursuant to Paragraph 11.

“**Market Conditions**” shall mean the prevailing conditions in existence from time to time affecting the development of the Property and that would be taken into account by a reasonably prudent developer or builder, including, without limitation, cost and availability of labor and materials, projected absorption rates, market conditions, and the availability and terms of insurance and financing.

“**Material Adverse Effect**” shall mean (i) a material adverse effect on the business, operations, properties, or financial condition of the Company, (ii) a material adverse effect on the ability of the Company or each of the Members to perform their respective obligations hereunder and under the agreements referred to herein to which they are a party, or (iii) the invalidity or unenforceability of this Agreement or such other agreements or an assertion by the Company, or any such Member that this Agreement or such other agreement is invalid or unenforceable or has an adverse effect on the rights or remedies of the Members under this Agreement or such other agreements.

“**Member Loan**” is defined in Paragraph 5.4.1.2.

“**Members**” shall refer collectively to those Persons who initially sign this Agreement as a Member or any subsequent Member admitted under the terms of this Agreement. Reference to a “Member” shall be to either of the Members.

“**Member Representative**” is defined in Paragraph 14.8.1.

“**Member Nonrecourse Debt**” has the meaning set forth in Section 1.704-2(h)(4) of the Regulations.

“**Member Nonrecourse Debt Minimum Gain**” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

“**Member Nonrecourse Deductions**” has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

**“Nonrecourse Carveout Obligations”** shall mean recourse obligations, guaranties and indemnities, other than Financial Guaranty Obligations, customarily required by providers of nonrecourse financing referred to as “nonrecourse carveout guaranties,” “environmental guaranties,” “environmental indemnities” and similar terms pursuant to which certain obligations under such otherwise nonrecourse financings are guaranteed by one or more principals or affiliates of the party obtaining the financing, customarily including environmental liabilities, damages and losses arising from violation of certain affirmative and negative covenants, and all or a portion of the entire financing amount in the event of certain other affirmative and negative covenants, to the extent approved by the Members.

**“Nonrecourse Deductions”** has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

**“Nonrecourse Liability”** has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

**“Operations Plan”** shall mean the operation plan for the Property as approved by the Members from time-to-time. The current Operation Plan contemplates that the Company will borrow up to 60% of total loan-to-value to fund improvements on the Property.

**“Parent”** means with respect to 1401 Zuni Street, Urban Ventures Colorado, LLC, a Delaware limited liability company, and with respect to Zuni Corridor, White Group. The Parent of each Member shall not change as the result of any Parent ceasing to directly or indirectly own an interest in, or otherwise be affiliated with, such Member, unless the removal or substitution of such Parent is approved by the Members as a Major Decision.

**“Person”** means any individual, partnership, corporation, trust, limited liability company, or other entity.

**“Pre-Development Activities”** means any and all activities with respect to the Property undertaken by the Company or its Members to facilitate the purchase of and the entitlements for the Property, including, without limitation: due diligence, rezoning, site planning, utility planning, community association planning, and platting; identifying sources of acquisition and development funding; identifying Consultants; contracting with and paying the Consultants; and communication with the owners and/or holders of any deed of trust against the Property, and governmental and neighborhood parties.

**“Prime Rate”** shall mean the interest rate published in The Wall Street Journal as being the “prime rate,” as of the close of business on the 5th business day immediately preceding the date of the loan or other event upon which an interest rate is determined based on the Prime Rate. If the Prime Rate is listed as a range, then in that event the Prime Rate shall be the highest rate in the range.

**“Profits”** and **“Losses”** for each Allocation Year, shall mean an amount equal to the Company’s taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1.(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Company Property disposed of, notwithstanding that the adjusted tax basis of such Company Property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s Interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Paragraphs 8.2 and 8.3 hereof shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Paragraphs 8.2 and 8.3 hereof shall be determined by applying rules analogous to those set forth in Subparagraphs (i) through (vi) above.

“**Property**” means the real property described in Paragraph 3.1 and Exhibit B attached hereto.

“**Recourse Obligations**” shall mean Nonrecourse Carveout Obligations and Financial Guaranty Obligations.

“**Regulatory Provisions**” is defined in Paragraph 8.3.

“**Schedule**” shall mean the schedule for the development of the Property as approved by the Members from time-to-time.

“**Sharing Ratio**” means the following ratio with respect to the Members, subject to adjustment as provided in this Agreement:

1401 Zuni Street	60%
Zuni Corridor	40%

“**Tax Matters Member**” is defined in Paragraph 22.1.

“**Transfer**” means, as a noun, any voluntary or involuntary, transfer, sale, pledge or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or hypothecate or otherwise dispose of.

“**Unreturned Capital Contributions**” shall mean, with respect to any Member as of any date of determination, the Capital Contributions made by such Member reduced by prior distributions made to such Member pursuant to Paragraph 9.1.1.

“**Urban Group**” shall mean, Jerrold L. Glick or Susan Powers, members of their families (including their spouses and lineal descendants), and their heirs, devisees and personal representatives, and trusts the primary beneficiaries of which are Jerrold L. Glick or Susan Powers, or, members of their families (including their spouses and lineal descendants).

“**Voluntary Additional Capital Contribution**” is defined in Paragraph 5.2.2.

“**White Group**” shall mean Timothy White or Doug Decker, members of their families (including their spouses and lineal descendants), and their heirs, devisees and personal representatives, and trusts the primary beneficiaries of which are Timothy White or Doug Decker, or, members of their families (including their spouses and lineal descendants).

2.2. Other Definitions. To the extent terms are not otherwise defined in this Agreement, they shall be defined in accordance with the Act.

2.3. Other Terms. Unless the context shall require otherwise:

Words importing the singular number or plural number shall include the plural number and singular number respectively;

(i) Words importing the masculine gender shall include the feminine and neuter genders and vice versa;



(ii) Reference to “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation”;

(iii) Reference in this Agreement to “herein,” “hereby,” or “hereunder,” or any similar formulation, shall be deemed to refer to this Agreement as a whole, including the Exhibits; and

(iv) All references in this Agreement to “Paragraph” or “Paragraphs” are to a Paragraph or Paragraphs of this Agreement unless otherwise specified.

3. Company Business and Purpose.

3.1. Purpose. The Company’s business and purpose shall consist of (a) the acquisition, ownership, improvement, financing, refinancing, investment in, operation of and disposition of the real property more particularly described on Exhibit B attached hereto, in the City and County of Denver, Colorado, all with a view to the production of a profit, (b) carrying on any and all activities relating to the foregoing purposes, and (c) such other activities as determined by the unanimous consent of the Members from time to time.

4. Formation and Term.

4.1. Formation. The Members hereby agree to form the Company as a limited liability company pursuant to the Act and shall operate pursuant to such Articles of Organization and this Agreement of the Members. Prior to the time the Articles of Organization are filed, no person shall represent to third parties the existence of the Company or hold himself out as a Member.

4.2. Term. This Company shall remain in existence until dissolved as provided in this Agreement or by law, whichever occurs first.

5. Company Capital.

5.1. Initial Capital Contributions and Interests. Each Member shall, on the effective date of this Agreement, make the “**Initial Capital Contribution**” described for that Member on Exhibit A attached to this Agreement and Schedule I thereon, and the Company shall take subject to the indebtedness identified on such Schedule I, on the terms specified thereon. Zuni Corridor shall receive credit in its Capital Account for the amount identified on such Schedule I as the Net Fair Market Value of the assets contributed by it. Zuni Corridor represents that its adjusted basis in the property contributed by it to the Company, immediately prior to the contribution, is as set forth on such Schedule I. The Members agree that Zuni Corridor’s initial Capital Account balance, after the contributions shown on such Schedule I, shall be \$1,720,000.

5.2. Additional Capital Contributions.

5.2.1. Mandatory Capital Requirements: Capital Calls. After the contribution of the Initial Capital Contributions, no Member shall be required to make any Additional Capital Contributions to the Company except upon determination of a “**Capital Requirement**” as follows:

5.2.1.1. Managing Member. The Managing Member may determine that a Capital Requirement exists to the extent reasonably necessary to fund capital requirements of the Company, to the extent such Additional Capital Contributions have been authorized in the Budget and have not previously been made; or

5.2.1.2. Either Member. Either Member may unilaterally determine that a Capital Requirement exists to the extent reasonably necessary to fund capital requirements of the Company, to the extent such Additional Capital Contributions are required, and the Company's funds are insufficient, to pay (A) all of the following anticipated expenses of the Company which will become due and owing within the next thirty (30) calendar days thereafter: (i) debt service on existing Loans or liabilities of the Company that are subject to a Financial Guaranty Obligation (including, without limitation, any Loan or any other indebtedness secured by a mortgage on the Property that is subject to a Financial Guaranty Obligation), and (ii) Company obligations for taxes and utility services, and amounts required to obtain, maintain or renew all of the Company's insurance policies, as such become due and payable, or (B) expenses arising from an emergency situation or any unanticipated event or circumstance that causes an imminent danger of material financial or other material loss to the Company or the Property; or

5.2.1.3. Mutual Agreement. The Members, upon mutual agreement, may determine (A) an Additional Capital Contribution is necessary in order to fund improvement activities in accordance with the Operations Plan to the extent not covered by improvement loans or (B) that a Capital Requirement otherwise exists and the amount thereof, which in each case shall constitute a Major Decision.

Upon the making of such determination by the Members or a Member, as applicable, as provided above that additional capital is required, the Members or Member, as applicable, shall give written notice to each Member of the amount of the Capital Requirement, and if such determination is made by a Member unilaterally, the reason for such Capital Requirement, and each Member shall deliver to the Company its proportionate share thereof (in proportion to the respective Sharing Ratio of the Member on the date such notice is given) no later than thirty (30) days following the date such notice is given (an "Additional Capital Contribution").

In the event any Member shall fail to make any such Additional Capital Contribution within thirty (30) days of written demand, or by such later date as is set forth in the written demand, then such Member shall be in breach of its obligations hereunder and the Company and the other Member shall have the rights and remedies set forth in Paragraph 5.4.

5.2.2. Voluntary Capital Requirements; Voluntary Capital Calls. Either Member may determine that a Capital Requirement exists to the extent reasonably necessary to fund capital requirements of the Company, when the

Company's funds are insufficient to pay the anticipated expenses of the Company which will become due and owing within the next sixty (60) calendar days thereafter for debt service on existing Loans and liabilities of the Company that are not subject to a Financial Guaranty Obligation (including, without limitation, any Loan or any other indebtedness secured by a mortgage on the Property that is not subject to a Financial Guaranty Obligation). Upon the making of such determination by a Member as provided above that additional capital is required, the Member shall give written notice to the other Member of the amount of the Capital Requirement, and the reason for such Capital Requirement, and each Member may, but shall not be obligated to, deliver to the Company its proportionate share thereof (in proportion to the respective Sharing Ratio of the Member on the date such notice is given) no later than thirty (30) calendar days following the date such notice is given (a "**Voluntary Additional Capital Contribution**"). In the event any Member shall elects not to make any such Voluntary Additional Capital Contribution within thirty (30) calendar days of written demand, or by such later date as is set forth in the written demand, then (a) such Member shall not be in breach or default of its obligations hereunder and the other Member shall not have the right to exercise the remedies set forth in Paragraph 5.4.2., (b) such Member shall be deemed an "**ACC Defaulting Member**" for the purposes of Paragraph 5.4.1 only, (c) the contributing Member shall constitute a "**ACC Non-defaulting Member**" for the for the purposes of Paragraph 5.4.1 only, and (d) the contributing Member shall have the right to exercise the remedies set forth in Paragraph 5.4.1. To the extent Voluntary Capital Contributions are made by one or both Members, they shall be treated as Additional Capital Contributions for all purposes under this Agreement.

5.3. Loans by Members to Company. Except as otherwise provided herein, with the consent of all the Members, any Member may loan money to, act as surety for, or transact other business with the Company and, subject to other applicable law, shall have the same rights and obligations with respect thereto as a person who is not a Member, but no such transaction shall be deemed to constitute a Capital Contribution to the Company and shall not increase the Capital Account of any person engaging in any such transaction. Additionally, a Member may loan money to the Company as a Member Loan pursuant to Paragraph 5.4.1.2 and, subject to other applicable law, shall have the same rights and obligations with respect thereto as a person who is not a Member, but such Member Loan shall not be deemed to constitute a Capital Contribution to the Company and shall not increase the Capital Account of the Member making the Member Loan. Except in the case of a Member Loan, if the Company desires to borrow money from Member(s) it shall provide all Members with the right to participate based on the relative Sharing Ratios of all Members desiring to participate as a lender. To participate a Member must affirmatively respond to the Managing Member's notice within twenty (20) days. All loans other than Member Loans, shall be made at an interest rate of five percent (5%) over the Prime Rate, adjusted on the first day of each calendar month, unless otherwise agreed upon by the Members.

5.4. Remedies for Failure to Make Additional Capital Contributions. In the event that any Member fails to make a Capital Contribution (a “ACC Defaulting Member”) on or prior to the time prescribed, the Members who has made the contributions within the specified time (the “ACC Non-defaulting Member”) shall have all of the following rights and remedies:

5.4.1. Advances on Behalf of Defaulting Member. The ACC Non-defaulting Member may advance to the Company the Additional Capital Contribution required of the ACC Defaulting Member, and exercise the following options:

5.4.1.1. 125% Dilution. The ACC Non-defaulting Member may elect to treat the amounts advanced on behalf of the ACC Defaulting Member as an Additional Capital Contribution by the ACC Non-defaulting Member, and cause a dilution of the ACC Defaulting Member’s Sharing Ratio. As an inducement to the Members to make their agreed upon Additional Capital Contributions, the Members agree that any dilution pursuant to this Paragraph 5.4.1.1 shall not be pro rata, but rather shall be at the rate of 1.25 to 1. Consequently, if the ACC Defaulting Member has not cured such default within thirty (30) days after the date on which the ACC Non-defaulting Member has made the advance to the Company, the ACC Non-defaulting Member making such advance may elect, by giving written notice to the other Member and the Company, to reduce the ACC Defaulting Member’s Sharing Ratio in the Company as of the due date for the contribution by subtracting therefrom a percentage determined as follows: (i) the unpaid Additional Capital Contribution of the ACC Defaulting Member is divided by the total Initial Capital Contributions and requested Additional Capital Contributions (including Voluntary Additional Capital Contributions) of all Members whether or not made, (ii) the percentage determined in (i) above is multiplied by 1.25, and (iii) the ACC Defaulting Member’s Sharing Ratio is reduced by the product determined in (ii) above. The Sharing Ratio of the ACC Non-defaulting Member making the contribution on its behalf shall be increased correspondingly.

Example:

1. Facts:

Total Initial Contributions	=	\$1,000,000
Requested Additional Capital Contribution	=	\$200,000
ACC Defaulting Member has 50% Sharing Ratio		
ACC Non-defaulting Member has 50% Sharing Ratio		

2. Calculation of Dilution:

(i)	\$100,000 (Unpaid Contribution) / \$1,200,000 (Total Contributions All Members)	=	8.33%
(ii)	8 1/3% x 1.25	=	10.41%
(iii)	ACC Defaulting Member's Diluted Sharing Ratio 50% – 10.41%	=	39.59%
(iv)	ACC Non-defaulting Member's Sharing Ratio 50% + 10.41%	=	60.41%

5.4.1.2. Member Loan. The ACC Non-defaulting Member making the advance on behalf of the ACC Defaulting Member may elect, by giving written notice to the other Member and the Company, to treat both the ACC Non-defaulting Member's contribution and the contribution on behalf of the ACC Defaulting Member as a loan to the Company, in which event the amount so paid shall constitute an indebtedness of the Company to the ACC Non-defaulting Member (a "**Member Loan**"). Member Loans shall bear interest at a rate of five percent (5%) over the Prime Rate, adjusted on the first day of each calendar month, from the due date for the contribution until the Member Loan is paid in full. The interest shall be calculated on actual days outstanding divided by three hundred sixty-five (365). Member Loans shall be repaid in full prior to any subsequent payments under any other loans by any Member to the Company (other than Member Loans, which will be paid *pari passu* in proportion to the outstanding balances thereof) and prior to any distributions to a Member.

The ACC Non-defaulting Member shall have the right, exercisable from time-to-time, to convert the unpaid balance of any Member Loan made under Paragraph 5.4.1.2 (together with any accrued and unpaid interest) to an Additional Capital Contribution under Paragraph 5.4.1.1 (in which event the ACC Defaulting Member's Sharing Ratio shall be diluted in accordance with Paragraph 5.4.1.1).

5.4.2. Other Remedies. If the ACC Non-defaulting Member does not elect to advance the contribution on behalf of the ACC Defaulting Member under Paragraph 5.4.1.1 or make a Member Loan under Paragraph 5.4.1.2, the Company and the ACC Non-defaulting Member shall be entitled to exercise all available remedies to collect the unpaid contributions of the ACC Defaulting Member, including, but not limited to an action for monetary damages, and shall be entitled to recover all costs and expenses incurred in connection therewith, including reasonable attorneys' fees. Any amount past due shall bear interest from the due date of the contribution until paid at the rate of five percent (5%) over the Prime Rate, adjusted on the first

day of each calendar month. Any such contributions subsequently made by the ACC Defaulting Member shall be applied to interest accrued thereon under this Paragraph 5.4.2, and upon full payment of such accrued interest, any additional amounts shall constitute Additional Capital Contributions by the ACC Defaulting Member.

5.5. No Interest on Capital Accounts. No Member shall be entitled to receive interest on its Capital Account, and none shall be paid.

5.6. No Third-Party Rights. The right of the Company or the Members to require any Additional Capital Contributions under the terms of this Agreement shall not be construed as conferring any rights or benefits to or upon any person not a party to this Agreement or the holder of any obligations secured by a mortgage, deed of trust, security interest or other lien or encumbrance upon or affecting the Company, the Company Property or any interest of a Member therein or any part thereof.

6. Other Agreements.

6.1. Investment Representations and Warranties.

6.1.1. The undersigned Members understand (1) that the Interests evidenced by this Agreement have not been registered under the Securities Act of 1933, the Colorado Securities Act, or any other state securities laws (collectively the "Securities Acts") because the Company is of the opinion that the Interests are not securities or because the Company is issuing these in reliance upon one or more of the exemptions from the registration requirements of the Securities Acts, (2) that the Company has relied upon the fact that the Interests are to be held by each Member for investment and not with a view to distribution, and (3) that exemption from registration under the Securities Acts would not be available if the Interests were acquired by a Member Assignee with a view to distribution.

6.1.2. Accordingly, each Member hereby confirms to the Company that such Member is acquiring the Interests for such Member's own account, for investment and not with a view to the resale or distribution thereof. Each Member agrees not to offer, sell, transfer, assign, or otherwise market any, or any portion, of the Interests unless there is an effective registration or other qualification relating thereto under any applicable Securities Acts or unless the holder of Interests delivers to the Company an opinion of counsel, satisfactory to the Managing Member, that such offer, sale, transfer, assignment, or other marketing is exempt from the registration requirements of all applicable Securities Acts and that registration or other qualification is not required under such Securities Acts. Each Member understands that the Company is under no obligation to register the Interests or to assist such Member in complying with any exemption from registration under the Securities Acts if such Member should at a later date, wish to dispose of the Interest. Furthermore, each Member realizes that the Interests

are unlikely to qualify for disposition under Rule 144 of the Securities and Exchange Commission unless such Member is not an “affiliate” of the Company and the Interest has been beneficially owned and fully paid for by such Member for at least three (3) years.

6.1.3. Prior to acquiring the Interests, each Member has made an investigation of the Company and its business and has had made available to each such Member all information with respect thereto which such Member needed to make an informed decision to acquire the Interest. Each Member considers itself to be a Person possessing experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member’s investment in the Company.

6.2. Personal Guarantees. The Members acknowledge that the Members or their Parents may, but shall not be obligated to, undertake certain Recourse Obligations. The decision to undertake Recourse Obligations shall constitute a Major Decision. The Members shall seek to obtain several Recourse Obligations in proportion to their respective Sharing Ratios, but acknowledge that the Recourse Obligations may be joint and several. The Members agree that notwithstanding such joint and several liability under the Recourse Obligations, as between the Members and their respective Parent, each Member and its Parent, together, is only responsible for such their proportionate share of any payments required to be made pursuant to any Recourse Obligation based upon the Member’s Sharing Ratio at the time such Recourse Obligation was originally undertaken. It is the intention of the Members that, to the extent reasonably obtainable, all Loans obtained by the Company for which Recourse Obligations will exist shall contain specific release provisions pursuant to which the Lender agrees, upon the closing of a buy/sell transaction under Paragraph 23, to release the Selling Member and its respective Parent and Affiliates from any Future Recourse Obligations as contemplated by Paragraph 23.3.2; *provided, however*, that the Members may agree upon obtaining Loans that do not contain such release provisions.

6.2.1. Covenant not to Cause Default. Each Member and its respective Parent agrees not to take any action, or to permit or suffer any owner of a direct or indirect legal, beneficial or equitable interest in such Member or Parent, to take any action, that would give rise to any claim by a Lender or any other party with respect to the Recourse Obligations; *provided, however*, that, except as otherwise provided in this Agreement, this Paragraph 6.2.1 shall not impose any obligation on any Member to either approve any Additional Capital Contribution or to make any Additional Capital Contribution in order to prevent a claim by a Lender or other party with respect to any Recourse Obligations.

6.2.2. Member and Parent Indemnification. Each Member and its respective Parent hereby irrevocably, absolutely and unconditionally indemnifies the other Member and its Parent and Affiliates, and their respective successors and assigns, and shall indemnify, protect, hold harmless and defend each of the other Member and its Parent and Affiliates, at such indemnifying Member’s sole cost and expense, against any loss or

liability, cost, interest, penalty or expense (including, but not limited to, all reasonable attorneys' fees and disbursements), and all claims, actions, procedures and suits arising out of or in connection with (a) any Future Recourse Obligations for which Releases have not been obtained by the indemnifying Member as required under Paragraph 23.3.2, (b) any breach by the indemnifying Member of its covenants, agreements and obligations under Paragraph 6.2.1, or (c) any liability under any Recourse Obligations relating to or resulting from the breach of any representation or warranty made by the Company, a Member, a Parent or an Affiliate in connection with a Loan if the indemnifying Member, or its Parent or Affiliate, had knowledge, at the time such representation or warranty was made, of facts or circumstances which made such representation or warranty untrue or misleading and did not disclose (or had not previously disclosed) such information to the other Member.

6.2.3. Company Indemnification; Reimbursement Agreement. In addition to any other indemnification obligations of the Company under this Agreement, any other agreement, under the Act or under any other statutory or common law, the Company hereby irrevocably, absolutely and unconditionally indemnifies each Member and its Parent and Affiliates, and their respective successors and assigns, and shall indemnify, protect, hold harmless and defend each Member and its Parent and Affiliates, at the Company's sole cost and expense, against any loss or liability, cost, interest, penalty or expense (including, but not limited to, all reasonable attorneys' fees and disbursements), and all claims, actions, procedures and suits arising out of or in connection with any Recourse Obligations, except for (a) Recourse Obligations (or indemnification obligations of such Member or its Parent with respect thereto under Paragraph 6.2.2) incurred by a Member or its Parent arising as the result of such Member's or its Parent's breach of its covenants, agreements and obligations under Paragraph 6.2.1, or (b) any liability under any Recourse Obligations (or indemnification obligations of such Member or its Parent with respect thereto under Paragraph 6.2.2) relating to or resulting from the breach of any representation or warranty made by the Company, a Member, a Parent or an Affiliate in connection with a Loan if such Member or its Parent or Affiliate had knowledge, at the time such representation or warranty was made, of facts or circumstances which made such representation or warranty untrue or misleading and did not disclose (or had not previously disclosed) such information to the other Member (the Recourse Obligations described in clause (a) and (b) above are sometimes hereinafter referred to as "**Excluded Recourse Obligations**"). To the extent that the Company does not have sufficient assets to satisfy its indemnification obligations under this Paragraph 6.2.3, each Member and its Parent agrees to reimburse the other Member, or its Parent or Affiliate, the amount necessary to result in, following the payment by the Company, if any, under this Paragraph 6.2.3 and such payments by the Members and their respective Parents under this Paragraph 6.2.3, the aggregate net Recourse



Obligations incurred by each Member and its Parent, excluding Excluded Recourse Obligations, being in proportion to their respective Sharing Ratios.

6.2.4. Member and Parent Reimbursement. In the event that either Member or its Parent or Affiliate (each, a “**Paying Party**”), incurs any loss or liability, cost, interest, penalty or expense (including, but not limited to, all reasonable attorneys’ fees and disbursements), arising out of a claim based on a Recourse Obligation other than an Excluded Recourse Obligation or a Future Recourse Obligation, that is not fully reimbursed by the Company pursuant to the indemnification provisions of Paragraph 6.2.3 (an “**Unreimbursed Recourse Expense**”), the other Member and its Parent shall reimburse the Paying Party an amount equal to the reimbursing Member’s Sharing Ratio multiplied by the amount of the Unreimbursed Recourse Expense, within ten (10) Business Days after the Paying Party provides written notice of the amount of the Unreimbursed Recourse Expense, together with reasonable information or documentation supporting such claim, to the other Member and its Parent. Any Member or Parent who, under this Paragraph 6.2.4, both is under an obligation to reimburse a Paying Party and is a Paying Party shall have the right to setoff such obligation to reimburse against such right to reimbursement.

6.2.5. Joinder of Parents; Survival. Each of the Parents have signed this Agreement to acknowledge their agreement to be bound by this Paragraph 6.2 and Paragraph 16.3.8. All obligations under Paragraphs 6.2.2, 6.2.3, 6.2.4 and 16.3.8 shall survive, without limitation, any transfer of the Property by the Company, including by foreclosure (including sale under power of sale) or by a deed in lieu of foreclosure, the indemnified Member, indemnifying Member, Paying Member or Contributing Member ceasing to be a member of the Company, or a Parent ceasing to be an Affiliate of a Member. The provisions of this Paragraph 6.2 shall be solely for the benefit of and enforceable by the Members of the Company, and their respective Parents and Affiliates, and this Paragraph 6.2 shall not create any rights in, nor be enforceable by, any third party, including, without limitation, any creditor of the Company or any creditor of any Member.

6.3. Intentionally deleted.

6.4. Intentionally deleted.

6.5. Other Representations and Warranties of the Members. Each Member hereby represents and warrants that:

6.5.1. Due Incorporation or Formation; Authorization of Agreement. If such Member is a corporation or a partnership or limited liability company, it is duly organized or duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the corporate or partnership or company power and

authority to own its property and carry on its business as owned and carried on as of the date of this Agreement and as contemplated hereby. Such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a Material Adverse Effect. Such Member has the individual, corporate, partnership, or company power and authority to execute and deliver this Agreement and to perform its obligations hereunder and, if such Member is a corporation or partnership or limited liability company, the execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate, partnership, or company action. This Agreement constitutes the legal, valid, and binding obligation of such Member.

6.5.2. No Conflict With Restrictions; No Default. Neither the execution and delivery of this Agreement nor such Member's performance of and compliance with the terms and provisions of this Agreement (i) will conflict with, violate, or result in a breach of any of the terms, covenants, conditions, or provisions of any law or governmental regulation in effect on the date hereof applicable to, or any order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, directed to, or binding on such Member or its Parent, (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the certificate or articles of incorporation, organization or formation, bylaws, partnership agreement, or operating agreement of such Member or its Parent or of any agreement or instrument to which such Member or its Parent is a party or by which such Member or its Parent is or may be bound or to which any of its properties or assets is subject, (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization, or approval under any indenture, mortgage, lease agreement, or instrument to which such Member or its Parent is a party or by which such Member or its Parent or their property or assets is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Member or its Parent, except as set forth in this Agreement.

6.5.3. Governmental Authorizations. Any registration, declaration, or filing with, or consent, approval, license, permit, or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance, and performance by such Member under this Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made, or obtained on or before the date of this Agreement.

6.5.4. Litigation. Except as set forth on Schedule 6.5.4 attached hereto, there are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Member or its Parent, threatened against or affecting such Member or its Parent or any of their properties, assets, rights, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator that could, if adversely determined (or, in the case of an investigation, could lead to any action, suit, or proceeding that could, if adversely determined), reasonably be expected to materially impair such Member's ability to perform its obligations under this Agreement or to have a Material Adverse Effect; and such Member or its Parent has not received any currently effective notice of any default, and such Member or its Parent is not in default, under any applicable order, writ, injunction, decree, permit, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator that could reasonably be expected to materially impair such Member's ability to perform its obligations under this Agreement or to have a Material Adverse Effect.

6.6. Other Representations and Warranties of Zuni Corridor. Zuni Corridor hereby re-affirms the representations and warranties and indemnities it has made in Sections 4 and 8 of that certain Agreement to Assign Real Estate Purchase Agreement dated in August 2014 and relating to the Property (collectively, "**Assignment Obligations**"). Any and all costs, damages, attorneys' fees and liabilities incurred by 1401 Zuni Street (or by Urban Ventures Colorado, LLC, Jerrold L. Glick, Susan Powers or the Company) relating to or arising from a breach of any such Assignment Obligations may, at the election of 1401 Zuni Street, be treated as an amount advanced by 1401 Zuni Street to Zuni Corridor under Section 5.4.1.1 above thereby triggering dilution of Zuni Corridor's Sharing Ratio as set forth in said Section. This remedy shall be cumulative (and not exclusive) with all other remedies available for breaches of the Assignment Obligations under said Agreement to Assign Real Estate Purchase Agreement.

## 7. Company Expenses and Development Fees.

7.1. Nonreimbursable Expenses. Except as otherwise provided herein, the Company shall not be obligated and the Members will be solely responsible and obligated for paying and will not be reimbursed by the Company for the following: (i) salaries, compensation and fringe benefits of officers and directors and employees of the Members or Affiliates; and (ii) overhead expenses of the Members or Affiliates including rent and general office expenses.

### 7.2. Reimbursable Expenses.

7.2.1. In General. The Company shall pay all expenses of the Company which may include, but are not limited to: (i) all costs of borrowed money, taxes and assessments on Company Property and other taxes directly applicable to the Company; (ii) legal, audit, accounting, brokerage and other fees incurred by the Company (subject to the limitations and provisions set forth in Paragraphs 7.1, 7.2.2 and 12.2); (iii) expenses and taxes incurred by

the Company in connection with the business of the Company; (iv) fees and expenses incurred by the Company and owing to independent contractors, mortgage bankers, brokers and servicers, Consultants, insurance brokers, and other agents; (v) the cost of insurance incurred by the Company as required in connection with the business of the Company; (vi) expenses incurred by the Company in connection with preparing and mailing reports furnished to Members (subject to the limitations and provisions set forth in Paragraphs 7.1, 7.2.2 and 12.2); and (vii) expenses incurred by the Managing Member in undertaking its rights and obligations pursuant to this Agreement.

7.2.2. Use of 1401 Zuni Street's Employees. The parties acknowledge and agree that certain employees of 1401 Zuni Street or its Affiliates will be preparing some or all of the Company's financial statements, including those described in Section 12.2 below. For the preparation of these financial statements, the Company shall be required to pay Urban Ventures Colorado, LLC, a Delaware limited liability company, \$4,000.00 per month through December 31, 2015 pursuant to the Budget adopted for such period, and thereafter a monthly payment in an amount set forth in the mutually agreed Budget for subsequent years.

7.3. [Intentionally Deleted].

7.4. Pre-Development Agreement. The Company may, but shall not be obligated to, enter into a pre-development agreement with Urban Ventures Colorado, LLC or an Affiliate thereof to undertake certain Pre-Development Activities related to the Property in exchange for fees payable to such pre-development entity. The decision to contract with Urban Ventures Colorado, LLC or an Affiliate thereof shall be a Major Decision.

8. Capital Accounts.

8.1. Maintenance of Capital Accounts. A separate capital account shall be maintained for each Member throughout the term of this Agreement and shall consist of the sum of any contributions of cash or property made by that Member to the capital of the Company. Each Member's Capital Account shall be determined and maintained throughout the full term of the Company in accordance with partnership capital accounting rules contained in Section 704(b) of the Code and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified in order to comply with Section 704(b) of the Code and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in this Agreement, the method in which Capital Accounts are maintained shall be so modified; *provided, however*, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

8.2. Special Allocations to Capital Accounts and Certain Other Income Tax Allocations. Notwithstanding Paragraphs 10.1 and 10.2 the following special allocations shall be made in the following order:

8.2.1. Minimum Gain Chargeback. Notwithstanding any other provision of this Paragraph 8.2, if there is a net decrease in the Company's minimum gain as defined in Treasury Regulation Section 1.704-2(d) during a Allocation Year of the Company, then, the Capital Accounts of each Member shall be allocated items of income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's share of the net decrease in Company minimum gain. This Paragraph 8.2.1 is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any Allocation Year that the Company has a net decrease in the Company's minimum gain, the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members and it is not expected that the Company will have sufficient other income to correct that distortion, the Members may in their discretion (and shall, if requested to do so by a Member) seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulation Section 1.704-2(f)(4).

8.2.2. Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Article, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1,704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Section 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Paragraph is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

8.2.3. Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Treasury Regulations, which create or increase an Adjusted Capital Account Deficit of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for an Allocation Year and, if necessary, for subsequent Allocation Years) shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the

Adjusted Capital Account Deficit so created as quickly as possible. It is the intent that this Paragraph 8.2.3 be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

8.2.4. Gross Income Allocation. If any Member has a deficit Capital Account at the end of any Company Allocation Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is deemed to be obligated to restore under Sections 1.704-2(g) and 1.704-2(i)(5) of the Treasury Regulations, each such Member shall be allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 8.2.4 shall be made only if and to the extent that such Member would have a deficit balance in its Capital Account in excess of such sum after all other allocations provided for in this Agreement have been made as if Section 8.2.3 above and this Section 8.2.4 were not in this Agreement.

8.2.5. Nonrecourse Deductions. Beginning in the first Allocation Year in which there are allocations of Nonrecourse Deductions (as described in Section 1.704.2(h) of the Treasury Regulations) such deductions shall be allocated to the Members in the same manner as Net Profit or Losses is allocated for such period.

8.2.6. Member Nonrecourse Deductions. Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) which are attributable to any nonrecourse debt of the Company and are characterized as Member Nonrecourse Deductions under Section 1.704-2(i) of the Treasury Regulations shall be allocated to the Members' Capital Accounts in accordance with said Section 1.704-2(i) of the Treasury Regulations.

8.2.7. Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b), is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(2) of the Treasury Regulations or Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations, to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members pro rata in accordance with their respective Interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Treasury Regulations applies, or to the Member to whom such distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations applies.

8.3. Curative Allocations. The special allocations of Subparagraphs 8.2 and 10.2(c) (the “**Regulatory Provisions**”) above are intended to comply with certain regulatory requirements imposed by Treasury Regulations, and are not intended to affect the economic arrangement of the parties as reflected elsewhere in this Agreement. Therefore, notwithstanding any other provision of this Agreement, if and when the Managing Member determines that the Regulatory Provisions would produce a distortion in the economic arrangement of the parties as determined by reference to the other provisions of this Agreement (and taking into account any reasonably anticipated offsetting allocations pursuant to the Regulatory Provisions), the Managing Member shall make offsetting allocations to the Members of income, gain, loss, and deduction which are not subject to the Regulatory Provisions, so that, to the extent possible, the economic arrangement of the parties will not be affected.

8.4. Management Claim Allocations. Notwithstanding any contrary provision contained herein, in the event that a recovery under a Management Claim by the Company is limited by the provisions of Paragraph 11.8, a special allocation of Loss shall be made to the Managing Member equal to (a) the lesser of (i) the total amount of such Management Claim (whether or not recovered), and (ii) the maximum amount of a Management Claim as limited by the provisions of Paragraph 11.8, less (b) the amount recovered by the Company in connection with such Management Claim.

8.5. Tax Allocations; Code Section 704(c). Except as otherwise provided in this Paragraph 8.5, each item of income, gain, loss and deduction of the Company for federal income tax purposes shall be allocated among the Members in the same manner as such items are allocated for book purposes under this Paragraph 8. In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of “**Gross Asset Value**”) using the “**traditional method**” pursuant to the Regulations under Code Section 704(c). In the event the Gross Asset Value of any Company asset is adjusted pursuant to Subparagraph (ii) of the definition of “**Gross Asset Value**,” subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement, provided that any items of loss or deduction attributable to property contributed by a Member shall, to the extent of an amount equal to the excess of (A) the federal income tax basis of such property at the time of its contribution over (B) the Gross Asset Value of such property at such time, be allocated in its entirety to such contributing Member and the tax basis of such property for purposes of computing the amounts of all items allocated to any other Member (including a transferee of the contributing Member) shall be equal to its Gross Asset Value upon its contribution to the Company. Allocations pursuant to this Paragraph 8.5 are solely for purposes of federal, state, and local Taxes and shall not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

8.6. Other Allocation Rules.

8.6.1. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Member's interests in the Company profits are in proportion to their respective Sharing Ratio in the Company.

8.6.2. The Members are aware of the income tax consequences of the allocations made by this Paragraph 8 and Paragraph 10 and hereby agree to be bound by the provisions of this Paragraph 8 and Paragraph 10 in reporting their shares of Company income and loss for income tax purposes, except as otherwise required by law.

8.6.3. For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

9. Distributions to Members.

9.1. Distributable Cash. Except as provided in Paragraph 11.8 (relating to Management Claims) and Paragraph 21.2 (relating to dissolution and liquidation), (a) Distributable Cash shall be distributed when determined by the Managing Member, but in no event less frequently than quarterly, and (b) other Company Property shall be distributed to the Members at such times and in manner as the Members unanimously agree. Distributions of Distributable Cash and other Company Property shall be made in the following order and priority:

9.1.1. First, to the Members, pro rata, in proportion to their respective Unreturned Capital Contributions, until such time as each such Member's Unreturned Capital Contributions are reduced to zero;

9.1.2. Thereafter, to the Members, pro rata, in proportion to their respective Sharing Ratios.

9.2. Cash Reserve. The Managing Member shall determine from time to time the amount, if any, to retain from cash available for distribution as a cash reserve ("Cash Reserve"). The establishment of, or the setting aside of, any amount with respect to any such Cash Reserve shall be determined by the Managing Member in its reasonable judgment, based on anticipated income, expenses and cash flow requirements of the Company in accordance with the Budget, for the payment of any actual or contingent Company obligations during the current year or any future year and for the replacement or preservation of any Company assets, or any part thereof, during the current or any future year.

9.3. Liability of a Member to the Company. A Member who receives any distribution is liable to the Company only to the extent now or hereafter provided by the Act.



9.4. Withholding from Distributions. The Company and the Managing Member are authorized to withhold from any amount otherwise distributable to a Member or Assignee any and all amounts required to be withheld pursuant to any federal, state, local or foreign tax or other applicable laws. Any amounts so withheld shall be treated as having been distributed to the Person with respect to whom withheld.

9.5. Legal Restrictions on Distributions. No distribution shall be made if such distribution would violate the Act or other applicable law.

9.6. Priority Repayment of Member Loans. Notwithstanding anything to the contrary stated in Paragraph 9, if there shall at any time exist outstanding Member Loans or other loans from Members to the Company, then the available funds of the Company shall be applied to first repay all Member Loans and then all other loans from Members to the Company, prior to the Company making any further distributions to the Members.

9.7. Flood Plain Costs. Notwithstanding any provision of this Agreement to the contrary, each Member shall be responsible for paying fifty percent (50%) of any and all flood plain mitigation costs that may arise during the pre-development stage of the Property ("Flood Plain Costs") regardless of the final total cost which, as estimated by the Members, could reach as high as \$400,000.00. In the event actual Flood Plain Costs are less than \$400,000.00, 1401 Zuni Street agrees that 60% of any savings (i.e., Flood Plan Costs incurred which total less than \$400,000.00) shall be distributed to Zuni Corridor up to a maximum of \$120,000.00. This shall be a direct recourse obligation to 1401 Zuni Street.

## 10. Allocations.

10.1. Allocations of Profits. After giving effect to all special allocations set forth in Paragraphs 8.2, 8.3 and 8.4 hereof, Profits for any Allocation Year shall be allocated to the Members in the following order of priority:

(a) First, one hundred percent (100%) to the Members in the inverse order to which each Person received allocations of Losses pursuant to Section 10.2(b) below in an amount equal to the excess, if any, of (i) the cumulative Losses allocated pursuant to Section 10.2(b) below for all prior Allocation Years, over (ii) the cumulative Profits allocated pursuant to this Section 10.1(a) for all prior Allocation Years; and

(b) The balance, if any, to the Members in proportion to the respective Sharing Ratios.

10.2. Allocation of Losses. After giving effect to all special allocations set forth in Paragraphs 8.2, 8.3 and 8.4 hereof, Losses for any Allocation Year shall be allocated as set forth in Sections 10.2(a) and 10.2(b) below, subject to the limitation set forth in Section 10.2(c) below.

(a) First, one hundred percent (100%) to the Members in the inverse order to which each Person received allocations of Profits pursuant to Section 10.1(b) above in an amount equal to the excess, if any, of (i) the cumulative Profits allocated pursuant to Section 10.1(b)

above for all prior Allocation Years, over (ii) the cumulative Losses allocated pursuant to this Section 10.2(a) for all prior Allocation Years; and

(b) Losses for any Allocation Year shall be allocated to the Member in proportion to the respective Sharing Ratios.

(c) The Losses allocated pursuant to Sections 10.2(a) and 10.2(b) above shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 10.2(a) or Section 10.2(b) above, the limitation set forth in this Section 10.2(c) shall be applied on a Person by Person basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

## 11. Managing Member.

11.1. Initial Managing Member. 1401 Zuni Street, LLC shall be the initial Managing Member.

11.2. Number. There shall be one Managing Member. A Managing Member shall serve in such capacity until its resignation or removal as provided in this Agreement.

11.3. Resignation and Replacement. The Managing Member may only resign upon the mutual agreement of both Members, which shall constitute a Major Decision. Upon the permitted voluntary resignation of the Managing Member, the other Member shall be the Managing Member. The resignation of a Managing Member shall not affect such Member's rights as a Member and shall not constitute a withdrawal of such Member. The resignation of a Managing Member who is also a contractor of the Company shall not affect the obligations of such Member pursuant to a separate agreement with the Company.

11.4. Removal for Cause. The Managing Member may be removed at any time for Just Cause by the other Member. Except as provided in Paragraph 17, the removal of the Managing Member shall not affect such Member's rights as a Member and shall not constitute a withdrawal of such Member. For purposes of this Agreement "**Just Cause**" shall mean only the following: (i) the conviction of or a plea of guilty or nolo contendere by any principal of the Managing Member to a felony or misdemeanor involving fraud, embezzlement, theft, or dishonesty or other criminal conduct, or (ii) any Default by the Managing Member in its capacity as Member or Managing Member. Upon removal of a Managing Member for Just Cause, the other Member shall be the Managing Member.

11.5. Removal of 1401 Zuni Street Upon Change of Key Principals. Zuni Corridor shall have the right to remove 1401 Zuni Street as the Managing Member, and to appoint itself as Managing Member, at any time following the date upon which neither Susan Powers nor Jerrold L. Glick continues to control the day-to-day management of 1401 Zuni Street. 1401 Zuni Street shall provide prompt written notice to Zuni Corridor upon the occurrence of the foregoing event. The date of change of management control shall be the date designated for such change by Zuni Corridor by written notice to 1401 Zuni Street. The removal

of 1401 Zuni Street as the Managing Member shall not result in 1401 Zuni Street ceasing to be a Member, but it shall result in 1401 Zuni Street ceasing to hold the management rights and powers vested in the Managing Member.

11.6. Management. The business and affairs of the Company shall be managed by its Managing Member, subject to the approval of the Members as provided in Paragraph 13.3 and subject to the provisions of Paragraph 13.5 below. The Managing Member shall direct, manage and control the business of the Company to the best of the Managing Member's ability and in accordance with its Management Discretion. Except for situations in which the approval of the Members is expressly required by this Operating Agreement or by non-waiveable provisions of applicable law, or with respect to certain responsibilities and powers delegated to the other Member in the Operations Plan pursuant to Paragraph 13.5 below, the Managing Member shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, in each case subject to its Management Discretion. The foregoing notwithstanding, the Managing Member and the Members shall at all times exercise their respective management rights and duties under this Agreement in conformance with the Budget, the Operations Plan and the Schedule.

11.7. Compensation of Managing Member. Except as otherwise specifically provided herein, the Managing Member shall not be entitled to any salary or other compensation, unless otherwise determined by the unanimous vote of the Members.

11.8. Limitation on Liability. Notwithstanding any contrary provision contained herein, the Managing Member's liability to the Company or any other Member resulting from claims arising solely out of the Managing Member's undertakings and obligations under this Agreement or the Act in its capacity as Managing Member (but not otherwise in its capacity as a Member) (a "**Management Claim**"), shall be limited to the value of the Managing Member's Interest in the Company. Any recovery by the other Member in any action by the other Member based upon a Management Claim shall inure solely to the other Member. Any recovery by the Company in any action by the Company based upon a Management Claim shall be specially distributed (a) first, to the other Member up to an amount equal to the other Member's Sharing Ratio multiplied by the total amount (whether or not recovered) of the Management Claim (b) second, to the Managing Member up to an amount equal to the Managing Member's Sharing Ratio multiplied by the total amount (whether or not recovered) of the Management Claim, and (c) thereafter, to the Members in proportion to their respective Sharing Ratios.

## 12. Books, Records, Accountings and Reports.

12.1. Records. The Company shall continuously maintain, at the principal Company Office, at the Company's expense, the following:

12.1.1. A current list of the full name and last known business, residence or mailing address of each Member, both past and present, together with the contribution and share in profits and losses of each Member.

12.1.2. A copy of the Articles of Organization and all Articles of Amendment thereto.

12.1.3. Copies of the Company's federal, state and local income tax or information returns and reports, if any, for the three most recent taxable years.

12.1.4. Copies of the original Agreement and all amendments to the Agreement.

12.1.5. Financial statements of the Company for the three most recent fiscal years.

12.1.6. The Company's books and records for at least the current and past three fiscal years.

12.1.7. Any other records or documents required by C.R.S. § 7-80-408.

12.2. Financial Reports. The Company shall provide the Members with cash flow statements, financial statements and such other performance data reports on a quarterly basis, or more frequently if reasonably requested by the Members in writing. The financial statements shall be compiled and include income statements, cash flow statements and balance sheets for the Company and such other statements as the Managing Member may deem appropriate. The foregoing notwithstanding, the Company shall prepare monthly reports, budgets, variance reports and quarterly cash flow analysis in a standard form as agreed upon by the Members from time-to-time and consistent with the method of accounting described in Paragraph 13.2.7. Upon the request of a Member, the Company shall be obligated to cause any financial statements of the Company to be audited, and the costs of such audit shall be borne by: (a) the Managing Member, if the audit discloses a deviation of three percent (3%) or more in any material amount as between the audit results and the Company financial statements as prepared by the Managing Member in the agreed upon standard from of reporting, or (b) the Member requesting the audit, if the audit discloses a deviation of less than three percent (3%) in any material amount as between the audit results and the Company financial statements as prepared by the Managing member in the agreed upon standard for of reporting. A copy of such statements and reports shall be certified by the Managing Member to be true and correct to the best of the Managing Member's knowledge, and shall be distributed to the Members as soon as reasonably possible after they are prepared.

12.3. Tax Returns. The Managing Member, at Company expense, shall cause federal and state income tax returns for the Company to be prepared and timely filed with the appropriate authorities, and shall provide appropriate schedules K-1 to the Members as soon as reasonably possible after the close of the Company fiscal year. The accountants preparing the Company's tax returns shall be selected by the Managing Member.

12.4. Annual Reports. The Managing Member, at Company expense, shall cause the Annual Reports to be filed with the Secretary of State of Colorado as required by C.R.S. § 7-90-501.

13. Rights, Authority, Powers, Responsibilities, Duties and Services of the Managing Member.

13.1. Services. Subject to the limitations and requirements contained in this Agreement, the Managing Member shall provide the following services to the Company:

13.1.1. Supervise the organization of the Company;

13.1.2. Oversee the prompt payment of Company obligations and maintain accurate accounts thereof; and

13.1.3. Supervise Company management, which includes (i) preparing a proposed Budget, Operations Plan and Schedule, and any proposed amendments thereto, for submission to the Members; (ii) establishing policies for the operation of the Company; (iii) causing the Company's contractors and Consultants to arrange for the provision of services necessary to the operation of the Company (including accounting and legal services and services relating to distributions by the Company); (iv) providing advice, consultation, analysis and supervision with respect to the functions of the Company (including decisions regarding the sale or other disposition of Company assets, and compliance with Federal, state and local regulatory requirements and procedures); (v) executing documents on behalf of the Company; and (vi) having a fiduciary responsibility for the safekeeping and use of all funds of the Company, whether or not in the Managing Member's immediate possession or control.

13.2. Authority. In performing the services contemplated by Paragraph 13.1, the Managing Member shall have all authority, rights and powers conferred by law and those required or appropriate to the management of the Company business, subject to the provisions of Paragraph 13.3 and the other express limitations and restrictions contained in this Agreement. Included within such rights, authority and power of the Managing Member is the right to execute the Budget, the Operations Plan and the Schedule approved by the Members, including, but not limited to, the right, authority and power to:

13.2.1. Maintain a Cash Reserve pursuant to Paragraph 9.2 for normal repairs, replacements, contingencies and related items with respect to the Company Property;

13.2.2. Borrow money for normal trade payables in the ordinary course of business or to the extent described in the Budget which has been approved by the Members;

13.2.3. Acquire and enter into any contract of insurance for the protection of the Company, the Company Property and the Members, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company, in each case in conformance with the requirements of any Loan and the Insurance Requirements;

13.2.4. Employ or engage third party Persons in the operation and management of the business of the Company;

13.2.5. Prepare reports, statements and other relevant information for distribution to the Members;

13.2.6. Select the auditor auditing the Company's financial statements under Paragraph 12.2 and determine the appropriate accounting method or methods to be used by the Company. The Company intends initially to utilize the accrual method of accounting in maintaining its books and records;

13.2.7. Open and maintain in the name of the Company any safety deposit boxes, lock boxes and escrow, savings, checking, depository, brokerage, money market, or other accounts;

13.2.8. Assign, negotiate, endorse and deposit in and to such boxes and accounts any checks, drafts, notes, and other instruments and funds payable to or belonging to the Company;

13.2.9. Withdraw any funds or draw, sign and deliver in the name of the Company any check or draft against funds of the Company in such boxes or accounts; and

13.2.10. Implement additional depository and fund transfer services (including, but not limited to, facsimile signature authorizations, wire transfer agreements, automated clearinghouse agreements, and payroll deposit programs).

13.3. Members' Vote Required. The unanimous consent of all Members shall be required before the Managing Member shall have the authority to do the following (each, a "**Major Decision**"):

13.3.1. To proceed with acquiring any portion of the Property;

13.3.2. Any decision requiring either or both Members, or their respective Parent or Affiliates, to undertake Recourse Obligations;

13.3.3. The removal, substitution or other change in the identity of any Parent of a Member;

13.3.4. The voluntary resignation and replacement of a Member as the Managing Member;

13.3.5. A decision to make a determination of a Capital Requirement under Paragraph 5.2.1.3;

13.3.6. Approve the Budget or any amendment thereto, subject to Paragraph 13.6.2;

13.3.7. Expend any funds other than in accordance with Paragraph 13.6;

13.3.8. Approve the Operations Plan or any amendment thereto;

13.3.9. Approve the Schedule;

13.3.10. Amend this Agreement;

13.3.11. Admit additional Members as provided in Paragraph 15.1;

13.3.12. Effectuate a merger or other reorganization of the Company;

13.3.13. Entering into any Loan or otherwise borrowing money on behalf of the Company, other than Member Loans made in accordance with Paragraph 5.4.1.2 and normal trade payables incurred the ordinary course of business in accordance with the Budget;

13.3.14. Causing the Company to voluntarily initiate, or acquiesce to, a proceeding under which the Company would become a debtor under the United States Bankruptcy Code;

13.3.15. Taking any act which would make it impossible to fulfill the purpose of the Company;

13.3.16. Change the purpose of the Company;

13.3.17. Sell or exchange the Property or any portion thereof or interest therein;

13.3.18. Distribute assets in kind at the time of liquidation of the Company pursuant to Paragraph 21.2(b)(1);

13.3.19. The allocation and/or division of the Pre-Development Activities between the Members;

13.3.20. Any election under the Code or the Treasury Regulations, including without limitation any election under Section 301.7701-3 of the Treasury Regulations, to classify the Company for federal income tax purposes as anything other than a partnership;

13.3.21. Entering into any agreement or transact any business, or permit any of its Affiliates to enter into any agreement or transact any business, with the Company;

13.3.22. Commingle Company funds with funds of any other Person; and

13.3.23. Any other provision expressly requiring a unanimous vote or approval herein, or such other matters as may from time to time be adopted by the unanimous vote of the Members.

13.4. [Intentionally Deleted].

13.5. Allocation of Certain Rights and Responsibilities. The Members agree that they will endeavor to adopt the Operations Plan as soon as possible and that the Operations Plan may confer additional rights and/or responsibilities upon a Member.

13.6. Budget.

13.6.1. Expenditures in Accordance with Budget. Subject to the limitations of this Paragraph 13.6.1, the Managing Member shall have the right to incur, contract for and approve, and pay all invoices with respect to, any particular budgeted item of the Budget for any single fiscal year. The foregoing notwithstanding, the Managing Member shall not incur or contract for any expenses without first providing prompt written notice to each Member thereof, and obtaining each Member's consent thereto, in the event (i) the sum of such expenditure and all other prior, contracted or anticipated expenditures relating to the applicable line item reflected in the Budget for a fiscal year exceed amounts budgeted for such line item expenditure for such fiscal year in such Budget by more than ten percent (10%) of the line item budgeted amount in such Budget (so long as the line item budgeted dollar amount is more than \$100,000); or (ii) the total sum of such expenditure and all other prior, contracted or anticipated expenditures relating to a fiscal year exceed the total aggregate budgeted amounts for all expenditures (including contingencies) in such fiscal year in such Budget. Additionally, in the event that invoices for any expenditures exceed the thresholds set forth in the previous sentence, the Managing Member shall provide written notice of such over-budget amount to the Members as promptly as practicable, and shall have no authority to make any further expenditures with respect to such line item, in the case of clause (i), or with respect to any item, in the case of clause (ii), until the Members approve an amendment to the Budget.

13.6.2. Approval of Budget. For each fiscal year, the Members shall adopt a Budget setting forth at a minimum the estimated revenues, receipts and expenditures (capital, operating and other) of the Company for such fiscal year. If the Members fail to approve a Budget for any fiscal year for the Company by the date that is thirty (30) days prior to the beginning of such fiscal year, then the Members shall be deemed to have approved as the Budget for that fiscal year a Budget that conforms to the Company's actual expenses and capital expenditures for the immediately preceding fiscal year (with each item of expense and expenditure increased by a percentage equal



to the percentage by which the Consumer Price Index for All Urban Consumers (CPI-U): U. S. City Average (1982-84=100) has increased from the last day of the fiscal year to which the Budget last approved relates to the first day of the current fiscal year); *provided, however*, that if a Budget for that fiscal year subsequently is approved by the Members, such subsequently-approved Budget shall be effective as of the beginning of such fiscal year. After the Budget for any fiscal year has been approved by the Members (or otherwise deemed approved as provided above), the Managing Member shall implement the Budget, and, subject to Paragraph 13.6.1, shall be authorized to make the expenditures and incur the obligations provided for in the appropriate Budget.

13.7. Certificate of Amendment of Articles of Organization. The Managing Member shall cause Articles of Amendment of Articles of Organization to be filed in the office of the Colorado Secretary of State within thirty (30) days after the happening of any of the following events:

13.7.1. A change in the name of the Company;

13.7.2. The discovery by the Managing Member of any false or erroneous statement contained in the Articles of Organization; or

13.7.3. The occurrence of any other event for which such Articles of Amendment are required by the Act.

14. Meetings, Quorum, Voting Rights and Approvals by the Members.

14.1. Meetings. No annual or regular meeting of the Members shall be required. The Members may provide by unanimous written agreement the time and place for holding of regular meetings, without other notice.

14.2. Special Meetings. Special meetings of Members may be called by any Member.

14.3. Place of Meetings. The Members may unanimously designate any place, either within or outside the State of Colorado, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meetings shall be the principal place of business of the Company in the State of Colorado. Any action required to be taken at a meeting of the Members, or any action that may be taken at a meeting of the Members, may be taken at a meeting held by means of conference telephone, the Internet or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

14.4. Notice of Meetings. Except as provided in Paragraph 1.4.5, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than twenty-four (24) hours before the date of the meeting, by

or at the direction of the Members or person calling the meeting, to each Member entitled to vote at such meeting. Such notice shall be delivered as provided in Paragraph 18.

14.5. Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

14.6. Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

14.7. Quorum. Attendance at any Members meeting for Major Decisions of all of the Members shall constitute a quorum except that if a quorum is not in attendance at any meeting, the meeting shall be continued and a notice shall be sent by the Managing Member to the Members that the business to be conducted will be considered upon reconvening the meeting at a time to be designated in the notice not less than ten (10) days or more than thirty (30) days from the notice date.

14.8. Voting. Voting of any Member may be by written proxy. Unless stated otherwise, all approvals or votes required shall be determined by the unanimous consent of the Members.

14.8.1. Member Representatives. Each Member shall, by written notice to the other, designate one or more persons (a “**Member Representative**”) to act as such Member’s primary representative(s) with respect to the Company, with the power and authority to make decisions and bind such Member under this Agreement. 1401 Zuni Street’s initial Member Representative shall be Jerrold L. Glick. Zuni Corridor’s initial Member Representative shall be Timothy White. Each Member shall have the right to change its Member Representatives at any time and from time to time by written notice to the other Member. The designation of Member Representatives shall not limit the right of each Member to act through other representatives authorized to act on its behalf. The Company and the Members may rely on any consent, approval, action, or representation of any such Member Representative, acting singly, without any duty to make any further inquiry.

14.9. Action by Members Without A Meeting. Any action required or permitted to be taken by the Members at a Members’ meeting may be taken without a meeting if the action is evidenced by the written consent of all Members to such action. Any such written consent to action shall be sent to all Members and actions taken under this Subparagraph shall be effective and valid when all Members have signed such written consents, unless the consent specifies a different effective date.

15. Admission, Limitation on Rights, Insolvency of a Member and Other Involuntary Transfers, and Limitation of Liability.

15.1. Admission of Members. New members may be admitted to the Company only upon the written consent of all Members.

15.2. Limitation on Rights.

15.2.1. General. No Member shall have the right or power to: (i) withdraw or reduce its contribution to the capital of the Company except as a result of the dissolution of the Company or as otherwise provided by law, or (ii) bring an action for partition against the Company.

15.2.2. Covenant Not to Withdraw or Dissolve. Notwithstanding any provision of the Act, each Member hereby covenants and agrees that the Members have entered into this Agreement based on their mutual expectation that all Members will continue as Members and carry out the duties and obligations undertaken by them hereunder and that, except as otherwise expressly required or permitted hereby, each Member hereby covenants and agrees not to (i) take any action to file a certificate of dissolution or its equivalent with respect to itself, (ii) withdraw or attempt to withdraw from the Company, (iii) exercise any power under the Act to dissolve the Company, (iv) Transfer all or any portion of his interest in the Company, (v) petition for judicial dissolution of the Company, or (vi) demand a return of such Member's contributions or profits (or a bond or other security for the return of such contributions or profits) without the unanimous consent of the Members.

15.3. Event of Insolvency or Other Involuntary Transfer. Upon any Member's sufferance of an Event of Insolvency, or at any time thereafter, such Member may be removed as a Member by a unanimous vote or consent of the other Members. If a Member reasonably believes that either an Event of Insolvency or an involuntary transfer by operation of law of that Member's Interest is foreseeable (an "**Involuntary Transfer**"), such Member must promptly send a written notice of that fact to the Company. The fiduciary obligations of each Member are personal and cannot be provided by any Person except that Member, including the Member as debtor in possession or by a trustee or other agent of the Member. In the event any Member ceases to be a Member under this Paragraph 15.3 or an Involuntary Transfer has occurred (i) the Company or an entity designated by the Company shall have the option to purchase such Member's ("**Terminated Member**") Interest or such Interest subject to an Involuntary Transfer pursuant to Paragraph 15.4 of this Agreement, (ii) such Member's Interest, or the portion transferred shall be automatically converted to that of an Assignee if the Company does not exercise its option to purchase the Member's Interest so transferred, (iii) neither such Member nor its Parent shall be required to incur additional Recourse Obligations pursuant to Paragraph 6.2, but shall continue to be liable for Recourse Obligations undertaken prior to such Member ceasing to be a Member or the occurrence of such Involuntary Transfer; and (iv) such Member shall not be entitled to vote on Company matters as a Member.

15.4. Purchase of Member's Interest. Upon the Member's sufferance of an Event of Insolvency or an Involuntary Transfer, the Member's Interest in the Company may be purchased by the Company or an entity or assignee designated by the Company for a purchase price of the Member's Interest determined according to the provisions of Paragraph 15.5 of this Agreement. The purchase price of such Interest shall be paid by the Company or the designated entity or assignee to the Member within one hundred fifty (150) days following sale of all the Parcels of the Property.

15.5. Purchase Price of Member's Interest. The fair market value of the Terminated Member's interest to be purchased by the Company according to the provisions of Paragraph 15.4 of this Agreement shall be determined by the remaining Member and the Terminated Member. For this purpose, the fair market value of such Interest of the Terminated Member shall be computed as the amount that the Terminated Member would receive as a distribution in liquidation of the Company after the sale of the Company's assets for their fair market value to a willing purchaser in the ordinary course of its business. If the remaining Members (or its representatives) and the Terminated Member cannot agree upon the fair market value of such Member's Interest within thirty (30) days, the fair market value thereof shall be determined by appraisal in accordance with Paragraph 15.5.1.

15.5.1. Appraisal Process. The Terminated Member shall select an appraiser. The remaining Member shall select an appraiser. The two appraisers shall each proceed to determine the fair market value of the Company's assets. The fair market value of the Company for purposes of this Paragraph 15.5 shall be the average of the fair market values of the Company determined by the two appraisers unless the two appraisals vary by more than ten percent (10%). In the event the two appraisals vary by more than ten percent (10%) the two appraisers shall select a third appraiser (the "**Third Appraiser**"). The Third Appraiser shall determine the fair market value of the Company's assets which appraised value shall be the fair market value of the Company's assets for purposes of this Paragraph 15.5 if such value is between the values determined by the other two appraisers. If the Third Appraiser's fair market value is above or below the fair market values determined by the other two appraisers, then the fair market value for purposes of this Paragraph 15.5 shall be the average of all three valuations. The purchase price of the Terminated Member's Interest shall be equal to the amount that the Terminated Member would receive if (a) the assets of the Company were sold in an all cash sale for the fair market value of the Company's assets as determined pursuant to this Paragraph 15.5.1; (b) one percent (1%) of such fair market value was paid as an estimate of customary closing costs and brokerage fees; (c) any applicable prepayment fees on any financing provided to the Company were paid at the time of the closing; and (d) the affairs of the Company were wound up and all other Company obligations were paid and the balance was distributed to the Members as provided in Paragraph 21.2(b). The closing shall be held in accordance to Paragraph 21.5.

15.6. Entities as Members. The Members acknowledge that the services and resources that each is to provide to the Company are of a special and unusual character with a unique value to the Company, the loss of which cannot adequately be compensated by damages in an action at law. The Members further acknowledge that they have substantially relied upon the existing management and ownership structure of each Member in agreeing to form this Company and that any change in such structure would materially impact their desire to continue the Company. In order to protect their interests and expectations and as a material inducement to enter into this Agreement, each Member agrees and covenants that it will not cause or permit a Change of Control to occur and will take or cause to be taken such action as is necessary to prevent a Change of Control from occurring with respect to such Member.

15.7. Limited Liability. Except as required under the Act or as expressly set forth in this Agreement, no Member, Parent or Affiliate, nor any of its respective members, managers, directors, partners, officers, employees, agents or representatives, nor any successor or assign of any of the foregoing, shall be personally liable for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise, *provided, however,* that the provisions of this Paragraph 15.7 shall not be deemed to modify, waive or limit any personal obligation or liabilities of any Person set forth in this Agreement or in any other agreement or instrument binding on such Person, or as may otherwise be provided in common law or statutory law (not including the Act).

## 16. Transfers.

16.1. Restrictions on Transfers. Except as otherwise specifically provided herein, neither a Member nor an Assignee shall have the right to Transfer all or any part of its Interest or rights as an Assignee.

16.2. Permitted Transfers. Subject to the conditions and restrictions set forth in this Paragraph 16.2 and Paragraph 16.3, a Member may at any time Transfer all or any portion of its Interest to (a) any other Member, and (b) a third party with the prior written consent of the other Member, which consent may be withheld or conditioned in the other Member's sole and absolute discretion. A condition to offering for sale an Interest to a third party shall be obtaining the consent of the other Member as described above, and offering to the other Member the right to purchase the interest upon the same terms the Member intends to sell its Interest. Any Transfer of a direct Interest shall be for an all cash purchase price and shall transfer the entire Interest of the transferring Member in compliance with Paragraph 16.6, and no Transfers of a part, but not all, of a Member's direct Interest shall be permitted. After the consummation of any permitted Transfer of any Interest, the Interest so transferred shall continue to be subject to the terms and provisions of this Agreement and any further Transfers shall be required to comply with all the terms and provisions of this Agreement. Without limiting the generality of the foregoing, a Transfer of an Interest subject to item (b) above of this Paragraph 16.2 shall be deemed to occur upon any transfer or series of transfers of direct or indirect interests in a Member resulting in the Change of Control of such Member. Notwithstanding the foregoing or any other provisions in this Agreement to the contrary, a Member may, without the consent of any other Member and without being required to offer the other Member a right to purchase its Interest (but upon notice to the other Member), transfer (by sale, gift or otherwise) its Interest to an Affiliate of such Member.

16.3. Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Paragraph 16.2 hereof unless and until the following conditions are satisfied or waived by all of the Members, which waiver may be given or withheld in the sole and absolute discretion of the Members:

16.3.1. Except in the case of a Transfer involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer. In the case of a Transfer of Interest involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance reasonably satisfactory to legal counsel to the Company. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all reasonable out-of-pocket costs and expenses that it reasonably incurs in connection with such Transfer.

16.3.2. The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Interest transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Interest until it has received such information.

16.3.3. Except in the case of a Transfer of an Interest involuntarily by operation of law or upon death, either (a) such Interest shall be registered under the Securities Act, and any applicable state securities laws, or (b) the transferor shall provide an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to legal counsel to the Company, to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

16.3.4. Except in the case of a Transfer of an Interest involuntarily by operation of law or upon death, the transferor shall provide an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to legal counsel to the Company, to the effect that such Transfer will not cause the Company to be deemed to be an "**investment company**" under the Investment Company Act of 1940.

16.3.5. No Transfer of an Interest shall be made except upon terms which would not, in the opinion of counsel chosen by and mutually acceptable to the transferor Member and the other Member, result in the termination of the Company within the meaning of Section 708 of the Code or cause the application of the rules of Sections 168(g)(1)(B), 168(h) and

168(i)(7) of the Code or similar rules to apply to the Company. If the immediate Transfer of such Interest would, in the opinion of such counsel, cause a termination within the meaning of Section 708 of the Code, then if, in the opinion of such counsel, the following action would not precipitate such termination, the transferor Member shall be entitled (or required, as the case may be) (i) immediately to Transfer only that portion of its Interest as may, in the opinion of such counsel, be transferred without causing such a termination and (ii) to enter into an agreement to Transfer the remainder of its Interest, in one or more Transfers, at the earliest date or dates on which such Transfer or Transfers may be effected without causing such termination. The purchase price for the Interest shall be allocated between the immediate Transfer and the deferred Transfer or Transfers pro rata on the basis of the percentage of the aggregate Interest being transferred, each portion to be payable when the respective Transfer is consummated, unless otherwise agreed by the parties to the Transfer. In the case of a Transfer by one Member to another Member, the deferred purchase price shall be deposited in an interest-bearing escrow account unless another method of securing the payment thereof is agreed upon by the transferor Member and the transferee Members. In determining whether a particular proposed Transfer will result in a termination of the Company, counsel to the Company shall take into account the existence of prior written commitments to Transfer made pursuant to this Agreement and such commitments shall always be given precedence over subsequent proposed Transfers.

16.3.6. In addition to the other restrictions contained in this Agreement, no Member shall Transfer all or any part of its Interest, or permit or suffer the Transfer of any direct or indirect legal, beneficial or equitable interest in such Member by any owner of any direct or indirect legal, beneficial or equitable interest in such Member, in violation of any terms, conditions or restrictions under any Loan or other financing provided to the Company, or otherwise relating to the Property, or any guaranties or indemnities relating thereto, or if such Transfer would result in liability under a Recourse Obligation.

16.3.7. [Intentionally Deleted].

16.3.8. Following any Transfer, either: (a) the Parent of the transferring Member shall continue to be liable for all Recourse Obligations of such Parent and all obligations of such Parent under this Agreement, including, without limitation, the obligations under Paragraph 6.2, and such Parent shall execute and deliver to the Company and the other Member such instruments and acknowledgements of such continuing obligations as the Company and the other Member shall reasonably require; or (b) one or more substitute Person(s), acceptable to the other Member in its sole and absolute discretion, shall assume all obligations of the Parent of the transferring Member for all Recourse Obligations of such Parent and all obligations of such Parent under this Agreement, including, without limitation, the

obligations under Paragraph 6.2, and such substitute Person(s) shall execute and deliver to the Company and the other Member such instruments and assumptions of such obligations as the Company and the other Member shall reasonably require.

16.3.9. Reasonableness of Restrictions.

16.3.9.1. Each Member has carefully read and considered the provisions of this Paragraph 16.3 and Paragraph 16.2, and, having done so, agrees that the restrictions set forth in these Paragraphs are fair and reasonable and are reasonably required for the protection of the interests of the Company and its Members.

16.3.9.2. In the event that, notwithstanding the foregoing, any of the provisions of this Paragraph 16.3 and Paragraph 16.2 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included therein. In the event that any provision of this Paragraph 16.3 and Paragraph 16.2 shall be declared by a court of competent jurisdiction to exceed the maximum restrictiveness such court deems reasonable and enforceable, the time period and/or extent of restriction and/or related aspects deemed reasonable and enforceable by the court shall become and thereafter be the maximum restriction in such regard, and the restriction shall remain enforceable to the fullest extent deemed reasonable by such court.

16.4. Prohibited Transfers.

16.4.1. Any purported Transfer of an Interest that is not a Permitted Transfer shall be null and void and of no force or effect whatsoever; *provided* that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Interest may have to the Company.

16.4.2. In the case of a Transfer or attempted Transfer of an Interest that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Member from all cost, liability, and damage that any of such indemnified Members may incur (including, without limitation, incremental tax liabilities, lawyers' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.



16.5. Rights of Unadmitted Assignees. A Person who acquires an Interest but who is not admitted as a substituted Member pursuant to Paragraph 16.6 hereof shall be entitled only to allocations and distributions with respect to such Interest in accordance with this Agreement, and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement. The transferee shall be merely an Assignee. No Assignee shall have any right to participate in the management of the Company or the approval of any Company action, and each transferring Member's right to participate in the management of the Company or the approval of Company actions, as well as obligations to make Additional Capital Contributions and return distributions as provided in this Agreement, shall remain unchanged as a result of a transfer to an Assignee. If the transferring Member ceases to be a Member, then in that event such transferring Member shall cease to have any right to participate in the management of the Company or the approval of any Company action.

16.6. Admission of Substituted Members. Subject to the other provisions of this Paragraph 16, a transferee of an Interest may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this Paragraph 16.6:

16.6.1. All of the Members consent to such admission, which consent may be given or withheld in the sole and absolute discretion of the Members;

16.6.2. The transferee of the Interest (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to legal counsel to the Company (and, in the case of clause (iii) below, the transferor Member), (i) make representations and warranties to each nontransferring Member equivalent to those set forth in Paragraph 6.5, (ii) accept and adopt the terms and provisions of this Agreement, including this Paragraph 16, and (iii) assume the obligations of the transferor Member under this Agreement with respect to the transferred Interest. The transferor Member shall be released from all such assumed obligations except (x) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement occurring prior to the admission of the substitute Member, (y) in the case of a Transfer to any Person other than a Member, those obligations or liabilities of the transferor Member based on events occurring, arising or maturing prior to the date of Transfer, and (z) in the case of a Transfer, any Capital Contribution or other financing obligation of the transferor Member under this Agreement;

16.6.3. The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Interest;

16.6.4. The transferee pays or reimburses the Company for any fees and expenses payable to any Lender in connection with such Lender consenting to such transfer; and

16.6.5. Except in the case of a Transfer involuntarily by operation of law, if required by legal counsel to the Company, the transferee (other than a transferee that was a Member prior to the Transfer) shall deliver to the Company evidence of the authority of such Person to become a Member and to be bound by all of the terms and conditions of this Agreement, and the transferee and transferor shall each execute and deliver such other instruments as legal counsel to the Company reasonably deems necessary or appropriate to effect, and as a condition to, such Transfer.

## 17. Defaults and Remedies.

17.1. Defaults. The occurrence of any of the following events (each, a “**Default**”) shall constitute a default by the respective Member including, in the case of the Managing Member, in its capacity as Managing Member (the “**Defaulting Member**”), under this Agreement:

17.1.1. (a) If the Member or its Parent commits a material breach under this Agreement or fails to perform in any material respect any of its obligations as a Member, Parent or as the Managing Member (if applicable), (b) such breach or failure continues uncured for fifteen (15) days after written notice from a non-defaulting Member (a “**Non-Defaulting Member**”) to the Defaulting Member of such breach or failure, *provided* that if such breach or failure is not reasonably capable of cure within such 15-day period, the cure period therefor shall be extended for the period of time necessary to complete such cure, *provided further* that the Defaulting Member commences its cure within such 15-day period and thereafter diligently pursues completion of such cure, and (c) in the case of the Managing Member, such breach was not the result of insufficient Company funds being available to, and authorized for use by, the Managing Member to perform such obligations;

17.1.2. (a) If the Member or a Contracting Affiliate of the Member commits a material breach under any agreement between such Member or its Contracting Affiliate, as applicable, and the Company, (b) such breach or failure continues uncured for fifteen (15) days after written notice from the other Member of such breach, *provided* that if such breach is not reasonably capable of cure within such 15-day period, the cure period therefor shall be extended for the period of time necessary to complete such cure, *provided further* that such Member or the Contracting Affiliate commences its cure within such 15-day period and thereafter diligently pursues completion of such cure, and (c) such breach was not the result of insufficient Company funds being available to, and authorized for use by, the Member or its Contracting Affiliate to perform such obligations;

17.1.3. The Member's sufferance of an Event of Insolvency;

17.1.4. A default under any Loan that is caused by the gross negligence or willful misconduct of a Member (as a Member or as the Managing Member (if applicable)) or its Contracting Affiliates that is not cured within the applicable cure period;

17.1.5. Fraud, intentional misrepresentation of material facts, intentional deceit or misappropriation of funds by the Member (as a Member or as the Managing Member (if applicable)) or its Contracting Affiliates or by the principals of such Member or its Contracting Affiliates in connection with the Property, this Agreement or the transactions contemplated hereunder;

17.1.6. The Member's withdrawal as a Member of the Company for any reason, or the sale of any portion of its Member Interest, except as permitted under this Agreement;

17.1.7. Any direct or indirect change in the ownership or Control of a Member (whether by sale of stock, sale of assets, merger, reorganization, or otherwise) in violation of this Agreement;

17.1.8. Any violation by a Member (or any owner of a direct or indirect legal beneficial or equitable interest in a Member) of the transfer restrictions set forth in Paragraph 16;

17.1.9. Any representation or warranty made by a Member (as a Member or as the Managing Member (if applicable)) in this Agreement, or by its Contracting Affiliates in any agreement with the Company, shall be materially inaccurate or untrue when made; and

17.1.10. The Member's failure or refusal to make any contribution to the capital of the Company that it is required to make under this Agreement.

17.2. Remedies.

17.2.1. Upon a Default by the Defaulting Member, the following provisions shall apply:

17.2.1.1. Reimbursement; Distributions. The Defaulting Member will not be entitled to any reimbursements or distributions of Distributable Cash until the distribution to the Non-Defaulting Member of all amounts (including reimbursements) due to the Non-Defaulting Member pursuant to Paragraph 9.1 other than pursuant to Paragraph 9.1.2. Additionally, all reimbursements and distributions hereunder to the Defaulting Member shall be offset by the damages to the Company arising from such Default.

17.2.1.2. Loss of Membership Rights. During the pendency of a Default, the Defaulting Member shall have no right to vote its Interest or to exercise any consent or approval rights hereunder; *provided, however,* that the Defaulting Member shall continue to have the right to implement the procedures of Paragraph 23, including the right to initiate the Buy/Sell procedure as an Electing Member, and to enforce its rights under Paragraph 6.2.2, Paragraph 6.2.3, Paragraph 6.2.4 and Paragraph 20.3.

17.2.1.3. Purchase of Defaulting Member's Interest. The Defaulting Member's Interest in the Company may be purchased by the Non-Defaulting Member or an entity or assignee designated by the Non-Defaulting Member for a purchase price of the Member's Interest determined according to the provisions of Paragraph 15.5 of this Agreement, with the Defaulting Member substituted for "Terminated Member" and the Non-Defaulting Member substituted for "remaining Member" for purposes of applying the provisions of Paragraph 15.5 to determine the purchase price. The purchase price of such Interest shall be paid by the Company or the designated entity or assignee to the Member within one hundred fifty (150) days following sale of all the Parcels of the Property.

17.2.1.4. Termination of Contracts. The Non-Defaulting Member, acting on behalf of the Company, shall have the right to terminate any agreements (other than this Agreement) between the Defaulting Member or any Contracting Affiliate of the Defaulting Member and the Company; and

17.2.1.5. Other Remedies. The Non-Defaulting Members shall also be entitled to exercise any other rights and remedies available under this Agreement, or at law or in equity.

17.3. Additional Remedies of Non-Managing Member; Removal. The Member which is not the Managing Member shall have the right to remove the other Member as the Managing Member (a) upon and during the continuance of a Default by the Managing Member in its capacity as Member or Managing Member, or (b) if the Managing Member is the selling Member under Paragraph 23, and to act as the Managing Member itself. The date of change of management control shall be the date designated for such change by the other Member in its notice under this Paragraph 17.3. The removal of a Member as the Managing Member shall not result in such Member ceasing to be a Member, but it shall result in such Member ceasing to hold the management rights and powers vested in the Managing Member and, except as otherwise expressly provided for in this Agreement, the removal of a Member as the Managing Member shall not by itself cure any existing Default by such Member (including a Default by it in its capacity as Managing Member), nor shall it limit the exercise of any other remedies available to the Company or the other Member under Paragraph 17 of this Agreement or otherwise in respect of such Default.

18. Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall be either (a) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered three (3) Business Days after deposit with such courier, (b) sent by facsimile or email, in which case notice shall be deemed delivered upon confirmed transmission of such facsimile or email notice, or (c) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. Any notice sent by facsimile or personal delivery and delivered after 5:00 p.m. in the location of delivery shall be deemed received on the next Business Day. A party's address may be changed by written notice to the other party; *provided, however*, that no notice of a change of address shall be effective until actual receipt of such notice.

If to Zuni Corridor: White Construction Group  
Attn: Timothy White  
18 S. Wilcox, Suite 100  
Castle Rock, CO 80104

Phone: 303-688-6927  
Facsimile: 303-688-6265  
Email: [twhite@whitecg.com](mailto:twhite@whitecg.com)

with a copy to: Moye White LLP  
Attn: Randy Alt  
16 Market Square, 6<sup>th</sup> Floor  
1400 16<sup>th</sup> Street  
Denver, CO 80202

Phone: 303-292-2900  
Facsimile: 303-292-4510  
Email: [randy.alt@moyewhite.com](mailto:randy.alt@moyewhite.com)

If to 1401 Zuni Street: 1401 Zuni Street, LLC  
1600 Wynkoop Street, Suite 200  
Denver, Colorado 80202

Phone: 303-623-1221 or 303-446-0761  
Facsimile: 303-623-3251  
Email: [jllick@cglc.net](mailto:jllick@cglc.net) and  
[Susan@UrbanventuresLLC.com](mailto:Susan@UrbanventuresLLC.com)

with a copy to: Davis Graham & Stubbs LLP  
Attn: J. Christopher Kinsman  
1550 17<sup>th</sup> Street, Suite 500  
Denver, Colorado 80202

Phone: 303-892-7311  
Facsimile: 303-893-1379  
Email: chris.kinsman@dgslaw.com

19. Competing Transactions and Confidentiality.

19.1. In General. Any Member, any Affiliate, and any member, manager, officer, director, trustee or employee thereof, or any person owning a legal or beneficial interest therein, may engage in or possess an interest in any business or venture of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management, brokerage and development of real property even if competitive with the business of the Company. Neither the Company nor any Member shall have an interest in such other ventures or activities or in the income or proceeds derived therefrom by virtue of this Company Agreement or the relationship created hereby.

19.2. [Intentionally Deleted].

19.3. Waiver of Corporate Opportunity Doctrine. Notwithstanding the foregoing, in light of the Company's limited business purpose the Members expressly waive what is typically referred to as the "Corporate Opportunity Doctrine" with regards to business interests, activities and investments unrelated to the purchase, sale and development of the Property. The Company and the Members acknowledge that the Members, their respective Parent and Affiliates, and each of their members, managers, partners, shareholders, officers, directors, employees, agents, and representatives (collectively, the "**Member Parties**"), have or may in the future have other business interests, activities and investments, some of which may be in conflict or competition with the business of the Company and that the Member Parties are entitled to carry on such other business interests, activities and investments. The Member Parties may engage in or possess an interest in any other business or venture of any kind, independently or with others, including owning, financing, acquiring, leasing, promoting, developing, improving, operating, managing and servicing real property on their own behalf or on behalf of other entities with which they are affiliated or otherwise, and each of the Member Parties may engage in any such activities, whether or not competitive with the Company, without any obligation to offer any interest in such activities to the Company. Neither the Company, nor the other Member or its Parent shall have any right, by virtue of this Agreement, in or to such activities, or the income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Company, shall not for such reason alone be deemed wrongful or improper.

19.4. Confidentiality. Except as contemplated by this Agreement or required by a court of competent authority, each Member shall keep confidential and shall not disclose to others and shall use its reasonable efforts to prevent its present or former employees, agents, and representatives from disclosing to others without the prior written consent of all Members any information which (i) pertains to this Agreement, any negotiations pertaining thereto, any of the transactions contemplated hereby, or the business of the Company, or (ii) pertains to confidential or proprietary information of any Member or the Company or which any Member has labeled in writing as confidential or proprietary. No Member shall use any information which (i) pertains to

this Agreement, any negotiations pertaining hereto, any of the transactions contemplated hereby, or the business of the Company, or (ii) pertains to the confidential or proprietary information of any Member or the Company or which any Member has labeled in writing as confidential or proprietary, except in connection with the transactions contemplated hereby. The term “**confidential information**” is used in this Paragraph 19.4 to describe information which is confidential, non-public or proprietary in nature, was provided to such Member or its representatives by the Company, any other Member, or such Persons’ agents, representatives and employees, and relates either directly, or indirectly to the Company or the business of the Company. Information which (i) is available, or becomes available, to the public through no fault or action by such Member, its agents, representatives or employees or (ii) becomes available on non-confidential basis from any source other than the Company, any other Member, or such Persons’ agents, representatives or employees and such source is not prohibited from disclosing such information, shall not be deemed confidential information.

20. Insurance; Indemnification.

20.1. Insurance. The Managing Member shall cause the Company to obtain and maintain property, liability and other insurance in conformance with the insurance requirements and guidelines attached hereto as Exhibit C (the “**Insurance Requirements**”), to the extent such coverages and policies are available at commercially reasonable rates. In the event that some or all of the insurance policies set forth in the Insurance Requirements are not available at commercially reasonable rates, the Managing Member shall promptly notify the other Member thereof. The Managing Member shall obtain and maintain all insurance policies and coverage required by any Lender.

20.2. D&O Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person’s status as an agent, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of Paragraph 20.3 or under applicable law.

20.3. Indemnification. The indemnifications provided by this Paragraph 20.3 shall survive transfers of Member Interests and the dissolution of the Company, as applicable.

20.3.1. Indemnification by the Company. The Company shall indemnify, defend and hold harmless each Member and its direct and indirect members, managers, officers, directors, stockholders, partners, employees, Affiliates, agents and representatives (collectively, the “**Indemnified Parties,**” and each, an “**Indemnified Party**”) from, for and against any liability, loss, cost, expense, damage or injury suffered or sustained by it by reason of any acts, omissions or alleged acts or omissions or mistake of fact or judgment arising out of its activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys’ fees, costs and expenses, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if such Indemnified Party

acted in good faith and in a manner he, she or it believed to be in or not opposed to the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful; *provided, however*, that such indemnification shall not be provided for acts or omissions constituting willful misconduct, fraud, gross negligence or a material breach of this Agreement by such Indemnified Party or by any of its direct and indirect members, managers, officers, directors, stockholders, partners, employees, Affiliates, agents and representatives. Any such indemnification shall only be satisfied from the assets of the Company. Whenever any payment in respect of an indemnification matter or expense is made to any party, such occurrence promptly shall be reported to the Members.

20.3.2. Indemnification by Members. Each Member shall, to the fullest extent permitted by applicable law, indemnify, protect, defend and hold the Company and the other Member and the other Member's direct and indirect members, managers, officers, directors, stockholders, partners, employees, Affiliates, agents and representatives, harmless from and against any and all liability, loss, cost, expense, damage or injury (including but not limited to any judgment, award, settlement, reasonable attorneys' fees, costs and expenses, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim) (collectively, "Losses") suffered or sustained by such indemnified party by reason of any Default or any acts or omissions constituting willful misconduct, fraud, gross negligence or material breach of this Agreement by such indemnifying Member or by any of its direct and indirect members, managers, officers, directors, stockholders, partners, employees, Affiliates, agents and representatives.

20.3.3. Right of Recovery. In the event that the Company or a Member is entitled to indemnifiable Losses pursuant to Paragraph 20.3.2, and without limiting any other rights and remedies available under this Agreement, at law or in equity, such Losses may be recovered, at the election of the indemnified Member, as follows:

- (i) by offsetting such Losses against any reimbursements or distributions of Distributable Cash due to the indemnifying Member under this Agreement;
- (ii) against any amounts previously distributed by the Company to the indemnifying Member under this Agreement; or
- (iii) by any combination of the foregoing.

Each Member hereby irrevocably authorizes the Company to effect the offset described in clauses (i) above and expressly agrees to repay all such amounts described in clause (ii) above.



21. Termination and Dissolution of the Company.

21.1. Dissolution. The Company shall be dissolved upon the occurrence of any of the following:

21.1.1. The unanimous agreement of the Members.

21.1.2. Completion of the full development of the Property, unless the Members unanimously agree to continue the Company.

21.2. Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managing Member shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managing Member shall:

(1) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the Members in kind),

(2) Discharge all liabilities of the Company, including liabilities to Members and Assignees who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Assignees for distributions, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Assignees, the amount of such reserves shall be deemed to be an expense of the Company),

(3) Distribute the remaining assets in the following order:

(i) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Assignees shall be adjusted pursuant to the provisions of Paragraph 10 of this Operating Agreement to reflect such deemed sale.

(ii) The positive balance (if any) of each Member's and Assignee's Capital Account (after giving effect to all contributions, distributions and allocations for all periods) shall be distributed to the Members and Assignees, either in cash or in kind, as determined by the unanimous agreement of the Members, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Paragraph 21.2(b)(3)(i). Any such

distributions to the Members and Assignees in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any capital contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Managing Member shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

### 21.3. Rules Regarding Dissociation.

21.3.1. The dissolution, death, retirement, resignation, removal, withdrawal, expulsion, or the occurrence of any other event which terminates the continued membership of a Member in the Company shall constitute a "**Dissociation.**" A Dissociation shall not constitute a dissolution or result in the termination and winding up of the Company, but shall instead be subject to the provisions of this Paragraph.

21.3.2. Except as expressly permitted in this Agreement, a Member shall not voluntarily resign or take any other voluntary action which directly causes a Dissociation. Unless otherwise unanimously approved by the Members, a Member who resigns or whose Interest is otherwise terminated by virtue of a Dissociation (a "**Resigning Member**"), regardless of whether such Dissociation was the result of a voluntary act by such Resigning Member, shall be entitled to receive only those distributions to which such Resigning Member would have been entitled had such Resigning Member remained a Member (and only at such times as such distribution would have been made had such Resigning Member remained a Member). Except as otherwise expressly provided herein, a Resigning Member shall become an Assignee. Damages for breach of this Paragraph shall be monetary damages only (and not specific performance), and such damages may be offset against distributions by the Company to which the Resigning Member would otherwise be entitled.

21.4. Payment of Purchase Price. Except as may otherwise be provided in this Agreement, the purchase price of any Interest purchased pursuant to Paragraph 21.5 of this

Agreement shall be paid in cash, or by certified or cashiers check, at the closing specified in Paragraph 21.5.

21.5. Closing.

21.5.1. In General. The closing of the sale shall be held at the Company's principal place of business (or at such other place as the selling Member (the "Seller") and the purchasing Member or the Company (the "Purchaser") may in writing agree) no later than 30 days after the purchase price is determined (except as otherwise provided in Paragraph 6.3.6 or Paragraph 15.5 in the case of a sale thereunder). If this date is not a Business Day, then the closing shall be held on the first Business Day thereafter. At the closing the Purchaser shall deliver to the Seller payment in full for the purchased Interest by certified or bank cashier's check, payable to the order of the Seller.

The Seller shall deliver to the Purchaser:

(i) a duly executed assignment for all the Interests or Assignee Interests that are to be purchased; and

(ii) a certificate, dated as of the closing date, containing a representation and warranty that on the closing date the Seller has transferred, or caused to be transferred, to the Purchaser good and marketable title to all the Interests in question, free and clear of all claims, equities, liens, charges, and encumbrances.

21.5.2. Power of Attorney. In connection with any purchase or sale of an Interest pursuant to this Agreement, each Member and Assignee irrevocably appoints the Company as his attorney-in-fact for the purpose of executing any and all documents in his name for the purpose of completing such a purchase or sale. This is a power coupled with an interest and shall not terminate upon the death or disability of a Member or Assignee.

21.6. No Personal Liability. Each Member shall look solely to the assets of the Company for all Distributions with respect to the Company and its Capital Contributions thereto and its share of Profits or Losses thereof, and shall have no recourse therefor (upon dissolution or otherwise) against each other (except to the extent of any other Member's agreed, but unpaid obligation to make any Capital Contribution). In addition, no Member shall be obligated to restore any negative Capital Account balance of the Member with respect to the Company.

21.7. Statement of Dissolution. Upon the dissolution of the Company for any reason, the Managing Member shall cause the Statement of Dissolution to be filed in the office of the Secretary of State of the State of Colorado.

22. Tax Matters Partner.

22.1. Tax Matters Member. The Managing Member shall be the “**Tax Matters Member**”. The Tax Matters Member will be responsible for undertaking the statutory responsibilities of the “**tax matters partner**” pursuant to Subchapter C of Section 63 of Subtitle F of the Code, as set forth in the Code and the Treasury Regulations; provided, however, that decisions required to be made by the Tax Matters Member as contemplated by this Paragraph 22 or elsewhere in this Agreement (in its capacity as Tax Matters Member) shall only be made with the consent of the other Member, which consent shall not be unreasonably withheld. The Tax Matters Member will fully comply with the requirements of the applicable Treasury Regulations. The Tax Matters Member shall represent (at the Company’s expense) in connection with all examinations of the Company’s affairs by tax authorities and all administrative and/or judicial proceedings by the Internal Revenue Service or any governmental authority involving any income tax return of the Company, and may expend the Company’s funds for professional services and costs associated therewith. Notwithstanding any section of this Agreement to the contrary, the Tax Matters Member shall not bind any Member to any extension of the statute of limitations or to a settlement agreement without such Member’s prior written consent, which shall not be unreasonably withheld.

22.2. Notice. The Tax Matters Member shall provide to the Members prompt notice of any communication to or from a federal, state or local authority regarding any income tax return of the Company, and any Member shall have the right to be present at all stages or such administrative and/or judicial proceedings involving an income tax return of the Company.

22.3. Conditions. The Tax Matters Member will not be required to take any action or incur any expenses for the prosecution of any administrative or judicial remedies in its capacity as Tax Matters Member unless the Company reserves sufficient funds for such action or expenses or the Members agree on a method of sharing expenses incurred in connection with the prosecution of such remedies, satisfactory in all respects to the Tax Matters Member.

22.4. Furnish Information. Members will furnish the Tax Matters Member with such information as the Tax Matters Member may request to permit it to provide the Internal Revenue Service with sufficient information to allow proper notice to the Members in accordance with Section 6223 of the Code.

22.5. Consistent Treatment. Every Member will, on the Member’s income tax return, treat a Company tax item in a manner that is consistent with the treatment of such item on the Company’s income tax return unless the Member has given the Company prior written notice of the inconsistent treatment identifying the inconsistency.

23. Buy/Sell Rights.

23.1. Buy/Sell Election. At any time following the purchase of any portion of the Property, either Member (the “**Offering Member**”) may initiate the buy/sell procedure set forth in this Paragraph 23 by delivering a written notice (the “**Offer Notice**”) to the other Member (the “**Offeree Member**”) offering to purchase the Interest of the Offeree Member (the “**Offer**”). The Offer Notice shall include a statement of the Offering Member’s valuation of the

assets of the Company assuming the same were sold in an all cash sale, free and clear of all liabilities (the “Asset Value”).

23.2. Buy/Sell Procedure.

23.2.1. Statement of Valuation. Promptly upon giving or receiving the Offer Notice, the Managing Member shall calculate the Purchase Price for each Member’s Interest as provided herein and notify the Members of the actual Purchase Price based on the Asset Value and the calculations required by this Paragraph 23.

23.2.2. Right to Accept Offer; Irrevocable Counter-Offer if Declined. The Offeree Member shall have the right, for a period of 60 days after the date of the Offer Notice, to accept or decline the Offer by notice in writing to the Offering Member. If the Offeree Member fails to give notice either accepting or declining the Offer within such 60-day period, then such Offeree Member shall be deemed to have accepted the Offer. If the Offeree Member declines the Offer Notice within such 60-day period, then such Offeree Member shall be deemed to have made an irrevocable counter-offer to the Offering Member to purchase the Offering Member’s Interest based on the Asset Value and the Offering Member shall be deemed to have accepted such counter-offer based on the Asset Value. The Member who will be selling its Interest as determined in accordance with this Paragraph 23.2 is sometimes referred to herein as the “**Selling Member,**” and the Member who will be buying such Selling Member’s Interest is sometimes referred to herein as the “**Buying Member.**”

23.2.3. Preparation of Sale; Purchase Price. The written acceptance by the Offeree Member of the Offer (or the failure of the Offeree Member to act, which shall be deemed acceptance of the Offer), or the counter-offer and acceptance thereof deemed made by the Offeree Member and the Offering Member, respectively as herein specified, shall (in either case) constitute a binding agreement between the Members for the purchase and sale of the Selling Member’s Interest upon the terms and conditions herein specified. The purchase price for the Selling Member’s Interest (the “**Purchase Price**”) shall be equal to the amount that the Selling Member would receive if (a) the assets of the Company were sold in an all cash sale for the Asset Value on the closing of the sale pursuant to Paragraph 23.3.1; (b) one percent (1%) of the Asset Value was paid as an estimate of customary closing costs and brokerage fees; (c) any applicable prepayment fees on any Loans or other financing provided to the Company were paid at the time of the closing; and (d) the affairs of the Company were wound up and all other Company obligations were paid and the balance was distributed to the Members as provided in Paragraph 21.2(b). Within 20 days after the delivery of the Offeree Member’s notice of its election to accept or decline the Offer (or the deemed election by the Offeree Member to accept the Offer), the Buying Member shall deliver to the Selling Member a deposit by certified or

cashier's check or wire transfer of immediately available federal funds in an amount equal to 10% of the Purchase Price determined above (the "Buy/Sell Deposit"). The Buy/Sell Deposit shall be non-refundable to the Buying Member in all events other than the failure of the closing of the sale of the Selling Member's Interest to occur by reason of the default by the Selling Member or an event beyond the control of either Member that prevents the consummation of the sale (in either case, the Buy/Sell Deposit shall be promptly refunded to the Buying Member). Upon the closing of the sale by the Selling Member of its Interest to the Buying Member, the Buy/Sell Deposit shall be a credit against the Purchase Price.

23.2.4. Transfer of Management Rights; Default. From and after the date on which it is determined which Member will be the Selling Member in accordance with this Paragraph 23.2, the Selling Member's rights to management and control of the Company shall be immediately reallocated to the Buying Member; *provided, however*, that the Selling Member shall continue to hold its Economic Interest. If any Member defaults in its obligation to purchase or sell an Interest under this Paragraph 23.2, then, in addition to its rights under Paragraph 17, if any:

23.2.4.1. if the Buying Member is in Default under this Paragraph 23, the Selling Member shall immediately have all of its management and control rights reinstated, and may either (i) terminate the sale and retain the Buy/Sell Deposit as liquidated damages (the Members hereby acknowledging that the Selling Member's damages would be difficult to determine and that such deposit is fair and reasonable liquidated damages on account of such default) or (ii) specifically enforce the Buying Member's obligation to buy and to recover its actual damages resulting from the Buying Member's default, not to exceed the amount of the Buy/Sell Deposit, *provided that*, if the Selling Member had otherwise been properly removed as Managing Member, nothing in this Paragraph 23 shall entitle such Member to reinstatement as Managing Member, and only its rights as a Member shall be reinstated under this Paragraph 23.2.4, or

23.2.4.2. if the Selling Member is in Default under this Paragraph 23, the Buying Member may either (i) terminate the sale and receive a return of the Buy/Sell Deposit and recover liquidated damages from the Selling Member in an amount equal to the amount of the Buy/Sell Deposit (the Members hereby acknowledging that the Buying Member's damages would be difficult to determine and that such amount is fair and reasonable liquidated damages on account of such default) or (ii) specifically enforce the Selling Member's obligation to sell and recover its actual damages resulting from the Selling Member's default, not to exceed an amount equal to the amount of the Buy/Sell Deposit, and

*provided that*, nothing in this Paragraph 23 shall cure any Default arising under any other provision of this Agreement, nor limit the rights of a Non-Defaulting Party under Paragraph 17 with respect to such Default.

23.3. Procedures for Close of Purchase and Sale Transactions.

23.3.1. Location and Time Periods. The close of the purchase and sale of a Interest shall be held at the principal office of the Company. The purchase and sale transaction shall close not later than ninety (90) days after the date upon which the Selling Member and the Buying Member are determined under Paragraph 23.2; *provided, however*, that the Buying Member may close at any time during that period on not less than ten (10) days written notice.

23.3.2. Releases. Contemporaneously with such closing, the Buying Member shall use commercially reasonable efforts (a) first, to cause the Selling Member and its Parent and Affiliates to be fully and finally released by Lenders and all other providers of financing from any and all Loans and other financing provided to the Company for which the Selling Member or its Parent or Affiliates would otherwise have Future Recourse Obligations (solely for purposes of this Paragraph the “**Guaranteed Obligations**”) (collectively, the “**Releases**”), all evidenced by fully executed and acknowledged releases, of form and content reasonably satisfactory to Selling Member, delivered to Selling Member at or prior to the closing, and if this fails, then (b) to cause to be repaid in full any Guaranteed Obligations. In the event the Selling Member after using commercially reasonable efforts is unable to either cause the Selling Member and its Parent and Affiliates to be released as provided above, or to repay or refinance the Guaranteed Obligations so as to cause the Selling Member and its Parent and Affiliates to no longer have any liability for the Guaranteed Obligations, then in that event the Buying Member shall indemnify, hold harmless, and defend Selling Member and its Parent and Affiliates (collectively, the “**Selling Member Indemnified Parties**”) from and against any and all liabilities, obligations, losses, damages, expenses, including attorneys’ fees, diminutions of value, claims, actions, liens and deficiencies of any kind or nature which exist, or which are imposed on, incurred by or asserted against any one or more of the Selling Member Indemnified Parties, based upon, resulting from or arising out of the Guaranteed Obligations. Until such time as the Selling Member is no longer obligated for the Guaranteed Obligations as provided in this Paragraph the Selling Member and the Buying Member agree to pursue in good faith other commercially reasonable approaches that may be available to achieve the intent of this Paragraph 23.3.2.

23.3.3. Deposit of Documents. Each Member shall deliver such documents and instruments, duly executed and acknowledged where required, as may be necessary or required to consummate the purchase and sale of a Member’s Interest hereunder. A Member transferring its Interest

hereunder shall transfer such Interest free and clear of any liens, encumbrances or any interest of any third party. Specifically:

23.3.3.1. the Selling Member shall deliver to the Buying Member an assignment of the Selling Member's Interest, which assignment shall be sufficient to transfer the same, contain the warranty of the Selling Member that the Selling Member has (and the Buying Member shall acquire thereunder) good title to such Interest, free and clear of all liens, encumbrances, claims, rights and options of any kind or character whatsoever (but subject to this Agreement) and otherwise be in form reasonably satisfactory to both the Selling Member and the Buying Member; and

23.3.3.2. the Buying Member shall deliver to the Selling Member, by wire transfer of immediately available federal funds, the Purchase Price established pursuant to Paragraph 23.2.3.

23.3.4. Closing Costs and Prorations. On the date of the close of the purchase of a Member's Interest, any closing adjustments and prorations shall be made between the Members and either charged or debited to the Buying Member or the Selling Member, as may be appropriate. All closing costs shall be borne one-half by the Selling Member and one-half by the Buying Member.

23.3.5. Closing Adjustments. In addition to the other adjustments called for herein with respect to the close of the purchase and sale of a Interest under this Paragraph 23.2, the Purchase Price payable to the Selling Member shall be adjusted by increasing the Purchase Price by: (a) the amount of any Capital Contributions made by the Selling Member between the date of the Offer Notice and the closing date of the Transfer of the Interest hereunder; (b) the Selling Member's interest in any amounts received by the Company between the date of the Offer Notice and the closing date of Transfer of the Interests that are distributable as Distributable Cash from operations (but not capital events) and remain undistributed; and (c) any additional amount the Selling Member would receive pursuant to Paragraph 21.2(b) if the Purchase Price were recalculated under Paragraph 23.2.3 by reason of any repayments on any Loans secured by a mortgage or deed of trust to which the Assets are subject as of the closing, payment of which amount was not expressly anticipated by the terms of the Offer Notice prior to the transfer of the Interest, but no such adjustment shall be made for repayments of such Loans in connection with the refinancing of any such obligations.

23.3.6. Purchase Price. Except to the extent waived in writing by the Selling Member, the obligation of the Selling Member to sell the Selling Member's Interest pursuant to this Paragraph 23 is conditioned upon the



concurrent delivery by the Buying Member of the Purchase Price established pursuant to Paragraph 23.2.3.

23.3.7. Right to Assign Selling Member's Interest. The Buying Member may, at any time prior to the subject closing, assign to any Person its right to receive the assignment under this Paragraph 23 of the Selling Member's Interest, but such assignment shall not relieve the Buying Member of its obligations and liabilities hereunder.

23.4. Termination on Sale. On consummation of the purchase and sale of a Member's Interest: (a) the Selling Member's Interest shall be fully and completely settled and terminated; and (b) the Selling Member's rights and obligations hereunder shall terminate, except as to any indemnity obligations of either Member attributable to acts or events occurring prior to such date, any indemnity obligations of the Buying Member attributable to acts or events occurring after such date, and any other rights or obligations which by their nature are not fully performed or survive the closing.

#### 24. Miscellaneous.

24.1. Governing Law, Venue and Attorneys' Fees. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Colorado (without regard to the law of conflicts of any jurisdiction). Each Member agrees that any action or proceeding arising out of or related in any way to this Agreement shall be brought solely in a court of competent jurisdiction sitting in the County of Denver in the State of Colorado. The Members hereby irrevocably and unconditionally consent to the jurisdiction of any such court and hereby irrevocably and unconditionally waive any defense of an inconvenient forum to the maintenance of any action or proceeding in any such court, any objection to venue with respect to any such action or proceeding and any right of jurisdiction on account of place of residence or domicile of any party thereto. In the event that any action at law or in equity is brought by any party hereto against the other regarding the breach, performance, interpretation, collection, or any other matter in relation to this Agreement, the prevailing party in such action shall recover from the other party, in addition to all other sums that may be due and owing, a reasonable sum for the attorneys' fees incurred by the prevailing party in the prosecution or defense of such action.

24.2. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterpart.

24.3. Heirs, Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

24.4. Severability. In the event any sentence or Paragraph of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Paragraph shall be deemed severed from the remainder of the Agreement and the balance of the Agreement shall remain in full force and effect.

24.5. Headings. Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provision hereof.

24.6. Construction. Whenever required by the context hereof, the singular shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders, and vice versa; and the word “**person**” shall include a corporation, partnership, firm or other form of association.

24.7. Application of Colorado Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Colorado and the Act.

24.8. Interpretation of Agreement. Each party acknowledges that such party, either directly or through such party’s representatives, has participated in the drafting of this Agreement, and any applicable rule of construction that ambiguities are to be resolved against the drafting party should not be applied in connection with the construction or interpretation of this Agreement.

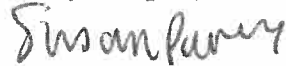
24.9. Delivery by Telecopy. Executed copies of this Agreement may be delivered by telecopy and, upon receipt, will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

**[Signature Page to 1401 Zuni Investments, LLC Operating Agreement]**


Executed effective the date first set forth above.

1401 Zuni Street, LLC, a Colorado limited liability company

By: Urban Ventures Colorado, LLC, a Delaware limited liability company, Manager

By:   
Susan Powers, President

Zuni Corridor LLC, a Colorado limited liability company

By:   
Printed Name: *Juan Carlos Rodriguez*  
Its: *Managing Member*

Limited Joinder by Parents

The undersigned, each being a Parent as defined in this Agreement, hereby execute this Agreement solely for the limited purpose of agreeing to be bound by the provisions of Paragraph 6.2 of this Agreement.

Timothy White



White Construction Group  
18 S. Wilcox, Suite 100  
Castle Rock, CO 80104

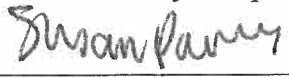
Phone: 303-688-6927  
Facsimile: 303-688-6265  
Email: [twhite@whitecg.com](mailto:twhite@whitecg.com)

with a copy to:

Moye White LLP  
Attn: Randy Alt  
16 Market Square, 6<sup>th</sup> Floor  
1400 16<sup>th</sup> Street  
Denver, CO 80202

Phone: 303-292-2900  
Facsimile: 303-292-4510  
Email: [randy.alt@moyewhite.com](mailto:randy.alt@moyewhite.com)

URBAN VENTURES COLORADO, LLC, a  
Delaware limited liability company

By:   
Susan Powers, President

Address for Notice Purposes:

Urban Ventures Colorado, LLC  
1600 Wynkoop Street, Suite 200  
Denver, Colorado 80202

Phone: 303-446-0761  
Facsimile: 303-623-3251  
Email: susan@urbanventuresllc.com

with a copy to:

Davis Graham & Stubbs LLP  
Attn: J. Christopher Kinsman  
1550 17<sup>th</sup> Street, Suite 500  
Denver, Colorado 80202

Phone: 303-892-7311  
Facsimile: 303-893-1379  
Email: chris.kinsman@dgsllaw.com

**EXHIBIT A**  
**TO THE**  
**OPERATING AGREEMENT OF**  
**1401 ZUNI INVESTMENTS, LLC**

Initial Capital Contributions

<u>Assets:</u>	<u>Contributed By:</u>	<u>Deemed Value:</u>
Property	Zuni Corridor	\$1,720,000.00 (net) (See attached Schedule I)
Cash	1401 Zuni Street	<u>\$2,580,000.00</u>
Total:		\$4,300,000.00

SCHEDULE I

<u>ASSETS</u>	<u>FAIR MARKET VALUE</u>	<u>LIABILITIES TAKEN SUBJECT TO</u>	<u>NET FAIR MARKET VALUE</u>	<u>ADJUSTED BASIS</u>
1. Promissory Note dated March 14, 2008, in the original principal amount of \$1,000,000.00 from Arvin Weiss as Maker to First American State Bank	\$1,012,997.46	Promissory Note dated July 24, 2013, in the original principal amount of \$1,012,997.46 from 1Zuni, LLC as Maker to First American Sate Bank	\$0	\$1,012,997.46
2. Promissory Note dated November 15, 2007, in the original principal amount of \$500,000.00 from Arvin Weiss as Maker to Pueblo Bank & Trust	\$452,066.20	Promissory Note dated November 6, 2013, in the original principal amount of \$452,066.20 from 1Zuni, LLC as Maker to Pueblo Bank & Trust	\$0	\$452,066.20
3. Real Estate Purchase Agreement	<u>\$1,720,000.00</u>	<hr/>	<u>\$1,720,000.00</u>	<u>\$25,000.00</u>
TOTALS	\$3,185,063.66	\$1,465,063.66	\$1,720,000.00	\$1,490,063.66

**EXHIBIT B**  
**TO THE**  
**OPERATING AGREEMENT OF**  
**1401 ZUNI INVESTMENTS, LLC**

Legal Description to the Property

**PARCEL 1: (FOR INFORMATIONAL PURPOSES ONLY: 2056 WEST COLFAX AVENUE)**

LOT 7 AND THE WEST 1/2 OF LOT 6, EXCEPT THE EAST 6 FEET OF SAID WEST 1/2 OF LOT 6, BLOCK 7, BAKER'S VILLA, TOGETHER WITH LOT 7, BLOCK 3, BAKER'S SUBDIVISION, AND A PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 5, TOWNSHIP 4 SOUTH, RANGE 68 WEST OF THE 6TH P.M., ALL LYING WITHIN THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NORTHEAST CORNER OF "THE HUTCHINSON TRACT", WHICH POINT IS THE NORTHWEST CORNER OF LOT 7, BLOCK 7, BAKER'S VILLA;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 7, A DISTANCE OF 190.00 FEET TO THE NORTHWEST CORNER OF LOT 7, BLOCK 3, BAKER'S SUBDIVISION  
THENCE EAST ALONG THE NORTH LINE OF LOT 7, A DISTANCE OF 50.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 7;

THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 7, A DISTANCE OF 190.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 7 AND THE SAME EXTENDED WEST A DISTANCE OF 134.60 FEET TO A POINT WHICH IS 12.5 FEET DISTANT FROM AND MEASURED ON A RADIAL LINE TO THE CENTER LINE OF THE DENVER AND INTER-MOUNTAIN RAILROAD-CHICAGO BURLINGTON & QUINCY RAILROAD TRANSFER TRACT AS NOW LOCATED;

THENCE NORTH ON A CURVE TO THE RIGHT, HAVING A RADIUS OF 461.66 FEET AND PARALLEL WITH AND 12.5 FEET DISTANT FROM THE CENTERLINE OF SAID TRANSFER TRACK, A DISTANCE OF 235.0 FEET TO A POINT OF TANGENT, THE LONG CHORD OF WHICH BEARS N01°46'00"E, 232.48 FEET;

THENCE N16°21'00"E, PARALLEL WITH AND 12.5 FEET DISTANT FROM THE CENTERLINE OF SAID TRANSFER TRACK, A DISTANCE OF 166.03 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF WEST COLFAX AVENUE;

THENCE S69°48'00"E, ALONG THE SOUTHWESTERLY LINE OF WEST COLFAX AVENUE A DISTANCE OF 33.61 FEET, MORE OR LESS, TO THE POINT OF BEGINNING,

EXCEPT ANY PORTION OF THE ABOVE TRACT LYING WITHIN PARCELS CONVEYED TO URBAN DRAINAGE AND FLOOD CONTROL DISTRICT BY DEEDS RECORDED NOVEMBER 17, 2000 AT RECEPTION NO. 2000168407 AND JANUARY 16, 2002 AT RECEPTION NO. 2002010721, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**PARCEL 2: (FOR INFORMATIONAL PURPOSES ONLY: 1401 ZUNI STREET)**

LOTS G AND H, YOUNG'S RESUBDIVISION OF LOTS 1, 2 AND 3, BLOCK 7, BAKER'S VILLA, AND LOT 3, BLOCK 3, BAKER'S SUBDIVISION, AND A STRIP BEGINNING AT THE NORTHEAST CORNER OF LOT 3, BLOCK 3, BAKER'S SUBDIVISION;



THENCE EAST 100 FEET TO THE WEST LINE OF ZUNI STREET;  
THENCE SOUTH 190 FEET ALONG THE WEST LINE OF ZUNI STREET TO THE NORTH  
LINE OF FOURTEENTH AVENUE;  
THENCE WEST ALONG THE NORTH LINE OF FOURTEENTH AVENUE, 100 FEET TO  
THE SOUTHEAST CORNER OF SAID LOT 3;  
THENCE NORTH 190 FEET TO THE PLACE OF BEGINNING, BEING IN THE NE 1/4 OF  
THE NE 1/4 OF SECTION 5, TOWNSHIP 4 SOUTH, RANGE 68 WEST OF THE 6TH P.M.,  
CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**PARCEL 3: (FOR INFORMATIONAL PURPOSES ONLY: 2046 WEST COLFAX  
AVENUE)**

LOTS 4, 5 AND 6, BLOCK 3, BAKER'S SUBDIVISION,  
AND LOTS 4, 5 AND THE EAST 31 FEET OF LOT 6, BLOCK 7, BAKER'S VILLA,  
CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**PARCEL 4: (FOR INFORMATIONAL PURPOSES ONLY: 2400 WEST 14TH AVENUE)**

THE NORTH 125 FEET OF LOT 3, BLOCK 4, BAKER'S SUBDIVISION, EXCEPT THAT  
PART CONVEYED TO REGIONAL TRANSPORTATION DISTRICT IN RULE AND  
ORDER RECORDED SEPTEMBER 2, 2009 AT RECEPTION NO. 2009117012, AND THE  
EAST 1/2 OF THE NORTH 125 FEET OF LOT 4, BLOCK 4, BAKER'S SUBDIVISION,  
EXCEPT THAT PART CONVEYED TO REGIONAL TRANSPORTATION DISTRICT IN  
RULE AND ORDER RECORDED SEPTEMBER 2, 2009 AT RECEPTION NO. 2009117012,  
CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**PARCEL 5: (FOR INFORMATIONAL PURPOSES ONLY: 2200 WEST 14TH AVENUE)**

THE NORTH 125 FEET OF LOT 5, BLOCK 4, BAKER'S SUBDIVISION, EXCEPT THAT  
PART CONVEYED TO REGIONAL TRANSPORTATION DISTRICT IN RULE AND  
ORDER RECORDED SEPTEMBER 2, 2009 AT RECEPTION NO. 2009117012, CITY AND  
COUNTY OF DENVER, STATE OF COLORADO.

**PARCELS 1, 2 & 3 ARE ALSO KNOWN AS:**

A PARCEL OF LAND BEING ALL OF LOTS 4 THROUGH 7, INCLUSIVE, BLOCK 7,  
BAKER'S VILLA; ALL OF LOTS 3 THROUGH 7, BLOCK 3, BAKER'S SUBDIVISION;  
LOTS G AND H, YOUNG'S RESUBDIVISION OF LOTS 1, 2 AND 3, BLOCK 7, BAKER'S  
VILLA, AND A PORTION OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP  
4 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY  
OF DENVER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT G, YOUNG'S RESUBDIVISION  
AND ASSUMING THE 20 FOOT RANGE LINE WITHIN ZUNI STREET, MONUMENTED  
AS SHOWN HEREON, TO BEAR NORTH 00°00'30" WEST WITH ALL BEARINGS  
CONTAINED HEREIN RELATIVE THERETO;  
THENCE SOUTH 00°00'30" EAST ALONG THE WEST RIGHT-OF-WAY LINE OF ZUNI  
STREET, A DISTANCE OF 245.00 FEET TO THE NORTH RIGHT-OF-WAY LINE OF W.  
14TH AVENUE;

THENCE SOUTH 89°59'30" WEST ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 431.62 FEET TO THE EAST LINE OF A PARCEL OF LAND CONVEYED TO URBAN DRAINAGE AND FLOOD CONTROL DISTRICT BY DEEDS RECORDED NOVEMBER 17, 2000 AT RECEPTION NO. 2000168407 AND JANUARY 16, 2002 AT RECEPTION NO. 2002010721;

THENCE ALONG SAID EAST LINE THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 6°28'29" EAST, A DISTANCE OF 168.15 FEET;
- 2) NORTH 12°53'06" EAST, A DISTANCE OF 223.42 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF W. COLFAX AVENUE;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 69°06'35" EAST, A DISTANCE OF 13.67 FEET;
- 2) NORTH 89°59'30" EAST, A DISTANCE OF 200.00 FEET TO THE NORTHEAST CORNER OF LOT 4, BLOCK 7, BAKER'S VILLA;

THENCE SOUTH 00°00'30" EAST ALONG THE EAST LINE OF SAID LOT 4, A DISTANCE OF 190.00 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 3, BAKER'S SUBDIVISION;

THENCE NORTH 89°59'30" EAST ALONG THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 25.00 FEET TO THE SOUTHWEST CORNER OF LOT H, YOUNG'S RESUBDIVISION;

THENCE NORTH 00°00'30" WEST ALONG THE WEST LINE OF SAID LOT H AND AFORESAID LOT G, A DISTANCE OF 55.00 FEET TO THE NORTHWEST CORNER OF SAID LOT G;

THENCE NORTH 89°59'30" EAST ALONG THE NORTH LINE OF SAID LOT G, A DISTANCE OF 125.00 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINING A CALCULATED AREA OF 131,587 S.F., OR 3.02 ACRES MORE OR LESS.

**PARCEL 4 IS ALSO KNOWN AS:**

A PARCEL OF LAND BEING A PORTION OF LOT 3 AND LOT 4, BLOCK 4, BAKER'S SUBDIVISION, SITUATED IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 4 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 3 AND ASSUMING THE 20 FOOT RANGE LINE WITHIN ZUNI STREET, MONUMENTED AS SHOWN HEREON, TO BEAR NORTH 00°00'30" WEST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 00°00'30" EAST ALONG THE EAST LINE OF SAID LOT 3, A DISTANCE OF 125.00 FEET TO THE SOUTH LINE OF THE NORTH 125 FEET THEREOF; THENCE SOUTH 89°59'30" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 11.95 FEET TO THE NORTHEAST LINE OF A PARCEL OF LAND CONVEYED TO THE REGIONAL TRANSPORTATION DISTRICT IN RULE AND ORDER RECORDED SEPTEMBER 2, 2009 AT RECEPTION NO. 2009117012;

THENCE NORTH 65°42'25" WEST ALONG SAID NORTHEAST LINE, A DISTANCE OF 69.18 FEET TO THE WEST LINE OF THE EAST HALF OF SAID LOT 4;

THENCE NORTH 00°00'30" WEST ALONG SAID WEST LINE, A DISTANCE OF 96.53 FEET TO THE NORTH LINE OF SAID LOT 4;  
THENCE NORTH 89°59'30" EAST ALONG THE NORTH LINE OF SAID LOTS 3 AND 4, A DISTANCE OF 75.00 FEET TO THE POINT OF BEGINNING;  
SAID PARCEL CONTAINING A CALCULATED AREA OF 8,477 S.F., OR 0.195 ACRES MORE OR LESS.

**PARCEL 5 IS ALSO KNOWN AS:**

A PARCEL OF LAND BEING A PORTION OF LOT 5, BLOCK 4, BAKER'S SUBDIVISION, SITUATED IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 4 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 5 AND ASSUMING THE 20 FOOT RANGE LINE WITHIN ZUNI STREET, MONUMENTED AS SHOWN HEREON, TO BEAR NORTH 00°00'30" WEST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 00°00'30" EAST ALONG THE EAST LINE OF SAID LOT 5, A DISTANCE OF 85.24 FEET TO THE NORTHEAST LINE OF A PARCEL OF LAND CONVEYED TO THE REGIONAL TRANSPORTATION DISTRICT IN RULE AND ORDER RECORDED SEPTEMBER 2, 2009 AT RECEPTION NO. 2009117012;

THENCE ALONG SAID NORTHEAST LINE FOR THE FOLLOWING TWO (2) COURSES:  
1) NORTH 65°42'25" WEST, A DISTANCE OF 39.19 FEET TO A POINT OF CURVATURE;  
2) ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 492.81 FEET, A CENTRAL ANGLE OF 1°48'33", AN ARC LENGTH OF 15.56 FEET AND A CHORD BEARING NORTH 66°38'00" WEST A CHORD DISTANCE OF 15.56 FEET TO THE WEST LINE OF SAID LOT 5;

THENCE NORTH 00°00'30" WEST ALONG SAID WEST LINE, A DISTANCE OF 62.94 FEET TO THE NORTHWEST CORNER OF SAID LOT 5;

THENCE NORTH 89°59'30" EAST ALONG THE NORTH LINE OF SAID LOT 5, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINING A CALCULATED AREA OF 3,699 S.F., OR 0.085 ACRES MORE OR LESS.

**EXHIBIT C**  
**TO THE**  
**OPERATING AGREEMENT OF**  
**1401 ZUNI INVESTMENTS, LLC**

Insurance Requirements

(i) Property Insurance. Insurance with respect to all of the improvements located on the Property and building equipment insuring against any peril included within the classification “All Risks Special Form Cause of Loss” in amounts at all times equal to the actual replacement cost of such improvements and building equipment (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping and paving) together with insurance against loss or damage to such furniture, furnishings, fixtures, equipment and other items (whether personally or fixtures) included in the Property and owned by the Company from time to time, to the extent applicable, in the amount of the cost of replacing the same, in each case. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions. The maximum deductible shall not exceed \$10,000. Further, in the event that the Property or the improvements constructed thereon constitutes a legal non-conforming use under applicable building, zoning or land use laws or ordinances, the policy shall include an ordinance or law coverage endorsement which will contain Coverage A: “Loss Due to Operation of Law” (with a minimum liability limit equal to Replacement Cost With Agreed Value Endorsement), Coverage B: “Demolition Cost” and Coverage C: “Increased Cost of Construction” coverage;

(ii) Builder’s Risk. During the period of any construction of any improvements on the Property, or any major physical renovation or alteration of any existing improvements located on the Property, a completed value, “All Risk” Builder’s Risk form or “Course of Construction” insurance policy in non-reporting form, for any such improvements under construction, renovation or alteration, in an amount approved by the Company, shall be required. During the period of any minor physical renovation or alteration of any existing improvements located on the Property, a completed value, “All Risk” Builder’s Risk form, or “Course of Construction” insurance policy in non-reporting form for any such improvements under renovation or alteration shall be obtained at the written request of either Member.

(iii) Liability Insurance. Comprehensive general liability insurance, including personal injury, bodily injury, death and property damage liability, insurance against any and all claims (including, without limitation, all legal liability to the extent insurable and imposed upon the Company) and all court costs and attorneys’ fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Property with a combined single limit of not less than \$1,000,000 per occurrence and \$3,000,000 aggregate, with umbrella liability equal to \$5,000,000 If the Property is written on a blanket basis, the policy must have an amendment (e.g., ISO CG 2504) that will ensure that the aggregate limit of insurance will apply separately to each covered property. The liability must provide for claims to be made on an occurrence basis and shall have the Company and each Member as a named insured therein. The maximum deductible or retention shall not exceed \$10,000. Any umbrella policy must contain a drop down clause should underlying limits become exhausted. During the

continuation of any construction at the Property, any general contractor for such construction shall also provide the insurance required in this subsection.

(iv) Workers' Compensation Insurance. Statutory workers' compensation insurance with respect to any work on or about the Property covering all employees of the Company, if any, subject to the workers' compensation laws of the state in which the Property is located.

(v) Flood Insurance. If the property is located in any area identified by the Federal Emergency Management Agency (FEMA) as a 100 Year Flood Zone, or Special Hazard Area (including, on a case-by-case basis, Zones B, X, C and Shaded X Areas), then the maximum insurance available under the appropriate National Flood Insurance Program must be provided.

(vi) Other Insurance. Such other insurance with respect to the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be agreed upon by the Members as a Major Decision.

(vii) General Requirements. All insurance provided shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be issued by one or more domestic primary insurer(s) having an investment rating of at least "A" from S&P or "A VII" from A.M. Best. All insurers providing insurance required by this Agreement shall be authorized to issue insurance in the state in which the Property is located. All Policies shall contain a provision that such Policies shall not be cancelled or terminated, nor shall they expire, without at least thirty (30) days' prior written notice to the Company and all Certificate holders. Certificates of insurance with respect to all renewal and replacement Policies shall be delivered to the Company or its representatives prior to the expiration date of any of the Policies required to be maintained hereunder. Such certificates shall bear notations evidencing payment of applicable premiums. Originals or certificates of such replacement Policies shall be delivered to the Company or its representatives within thirty (30) days after the effective date thereof. The Managing Member shall deliver copies of all policies to the Members.

The insurance coverage required may not be effected under a blanket policy or policies covering the Property and other properties and assets not constituting a part of the Property.

All Members shall be certificate holders of all insurance policies required to be maintained under this Agreement.

(viii) Loan Requirements. Notwithstanding anything to the contrary contained in this Exhibit C, at any time that a Loan is in place and such Lender requires the Company to maintain insurance, the Company shall obtain and maintain insurance policies that satisfy the insurance requirement of such Loan and this Exhibit C.

**SCHEDULE 6.5.4**  
**TO THE**  
**OPERATING AGREEMENT OF**  
**1401 ZUNI INVESTMENTS, LLC**

Litigation

1. Potential claim by Jones Lang LaSalle Brokerage, Inc. pursuant to expired Exclusive Listing Agreement with Arvin Weiss dated September 15, 2012.
  
2. Notice of Election and Demand (Foreclosure) Public Trustee Sale No. 2014-0617, filed by holder of Weil Gotshal Note and Deed of Trust with the Public Trustee of the City and County of Denver, State of Colorado.

**A Resolution of the Members of 1401 Zuni Investment, LLC**

The Members of 1401 Zuni Investments, LLC do hereby agree and authorized Susan Powers to borrow money for and on behalf of and in the name of 1401 Zuni Investments, LLC; to make any agreements in respect thereto; and to sign, execute and deliver promissory notes, acceptances or other evidences of indebtedness therefore, or in renewal thereof, in such amounts and for such time, at such rate of interest and upon such terms as is fit; and is hereby authorized to endorse, assign, transfer, mortgage, or pledge to said Bank real estate or other property now or hereafter owned by this company as security for the payment of any money so borrowed.

Resolved and Accepted this 9<sup>th</sup> Day of September 2015:

1401 Zuni Street LLC, a Colorado limited liability company

By: Urban Ventures Colorado, LLC, a Delaware limited liability company

By:   
Susan Powers, its Managing Member

Zuni Corridor LLC, a Colorado limited liability company

By:   
Timothy White, its Managing Member



August 23, 2019

To Whom it may concern,

RE: 2060 West Colfax Rezoning

1401 Zuni Investments, LLC the owning entity of the property 2060 West Colfax for which Urban Ventures, LLC President Susan Powers is the managing member authorizes Shannon Cox Baker, Vice President of Development of Urban Ventures, to sign on behalf of 1401 Zuni Investments, LLC regarding this rezoning application.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Susan Powers". The signature is written in a cursive, flowing style.

Susan Powers

Manager, 1401 Zuni Investments, LLC

President, Urban Ventures, LLC

1600 Wynkoop Street, Suite 200

Denver, Colorado 80202

[susan@urbanventuresllc.com](mailto:susan@urbanventuresllc.com)





August 23, 2019

City and County of Denver  
Community Planning and Development  
201 West Colfax Ave., Dept.205  
Denver, CO 80202

RE: 1401 Zuni Investments, LLC: Application for Rezoning 2060 West Colfax Avenue

To whom it may concern,

Urban Ventures, LLC is requesting a rezoning of the approximately 2.2-acre property located at 2060 West Colfax Avenue (the "Property") from C-MX-5 to C-MX-8. Urban Ventures is the developer of the Property and 1401 Zuni Investments, LLC of which Urban Ventures' president (Susan Powers) is the managing member, is the owner of the Property. The Property is located within Council District 3 within the La Alma Lincoln Park Neighborhood and within the Sun Valley Community Coalition (RNO) boundary area.

This letter is intended to supplement the Application and provide the City of Denver's Community Planning and Development ("CPD") department with additional information to aid CPD in reviewing and approving the requested rezoning. It also includes a detailed explanation of how the request to rezone meets or exceeds CPD's criteria for approval.

#### Existing Site Conditions

The Property currently contains surface parking and a brewery of approximately 6,000-sf. Formerly a gas station and an automotive repair shop, the one-story brewery, referred to as the Bowstring Building, recently underwent extensive renovation and is slated to open in September 2019. Adjacent to the Property's eastern boundary is a 65,000-sf commercial property known as STEAM on the Platte which was also developed by Urban Ventures and is owned by 1401 Zuni Investments. This century-old, 3-story former industrial warehouse was substantially remodeled in 2016 and 2017. The property is fully leased to various commercial office tenants. The Platte River is the property's western boundary and Xcel owns a recently decommissioned steam plant to the property's southern boundary. Land to the south of the Property is dominated by industrial uses and the heavily traveled I-25 South highway. Urban Ventures conducted a State of Colorado Voluntary Clean Up Plan (VCUP) on the site which cost over \$1 million. Multiple underground storage tanks, as well as a car battery pit, were excavated during construction of STEAM on the Platte and cleaned up in accordance with State VCUP standards.

#### Surrounding Context

West Denver, and particularly the Sun Valley neighborhood, is undergoing transformational change in response to the City's unprecedented population and job growth. Adopted in 2013, the Decatur-Federal Station Area Plan laid the foundation for redevelopment throughout Sun Valley

and along West Colfax. The Plan's support for increased building heights and density are intended, in large part, to facilitate Transit Oriented Development near the light rail station, for the purpose of activating the City's transit system.

On June 17<sup>th</sup> of 2019, Denver City Council approved the Stadium District Master Plan, allowing for the redevelopment of hundreds of acres of surface parking into a mixed-use neighborhood destination adjacent to the Broncos Stadium. The Master Plan for the Stadium, which is less than 0.5 mile from 2060 West Colfax, would allow for buildings up to twenty stories, even though a rezoning has not been requested by the owner. Additional redevelopment activities underway include the Denver Housing Authority's redevelopment of its Sun Valley community, the construction of Meow Wolf, which is located across West Colfax from the Property, and the River Mile mixed use redevelopment which recently received a rezoning approval for up to 20-story buildings.

#### Anticipated Future Use

To complement Urban Ventures' existing developments and the surrounding properties, Urban Ventures seeks to develop up to two additional buildings on the Property. Though the exact program has yet to be determined, the developments are contemplated to contain a mix of structured parking, office, residential, and/or retail. To provide visual assistance to CPD in their review of this rezoning request, attached herein is a slide deck describing the STEAM on the Platte redevelopment as well as maps and conceptual renderings of the proposed redevelopment.

#### Rezoning Efforts to Date

The Urban Ventures team met with CPD staff in April 2019 for a rezoning concept review meeting. While the Property is technically located in the Lincoln Park/La Alma neighborhood, its proximity to and synergies with adjacent redevelopment activities create natural alliances with the Sun Valley community. To that end, Urban Ventures has presented its rezoning intentions to the Sun Valley Community Coalition and met with the President of the La Alma Lincoln Park Registered Neighborhood Association, as well as neighboring businesses (within 200' of the property). Urban Ventures routinely attends meetings and actively participates in the Sun Valley Community Coalition, as well as participates in and hosts other forms of neighborhood engagement (i.e., West Colfax Business Improvement District events), and will continue to do so throughout the rezoning process.

Urban Ventures has the reputation as a pioneering developer in Denver and Sun Valley and is actively invested in the neighborhood's continued evolution. It is Urban Venture's sincere intention to enhance the site's potential and promote the neighborhood's livability through the proposed rezoning.

#### **Review Criteria**

Per the City of Denver's Rezoning Guide, a rezoning proposal must comply with all of the general review criteria noted in the Denver Zoning Code Section 12.4.10.7, specifically:

1. **Consistency with Adopted Plans:** The proposed official map amendment is consistent with the City's adopted plans, or the proposed rezoning is necessary to provide land for a community need that was not anticipated at the time of adoption of the City's Plan.

The rezoning request is consistent with the City's adopted plans, as follows:

1401 Zuni Investments: Application for Rezoning 2060 West Colfax Avenue

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a. Comprehensive Plan 2040 (the “Comp Plan”)

The City’s Comprehensive Plan 2040, adopted in May 2019, is focused on six key elements. The proposed rezoning of the Property will help the City of Denver achieve its Comp Plan 2040 aspirations in the following ways:

- **A Denver made up of strong neighborhoods:** the mixing of uses on the Property will contribute to a more “complete” neighborhood by providing places to live and work.
- **Well-connected, safe and accessible:** creating housing and more employment opportunities on the Property will support the existing and proposed transit network which is comprised of a series of bike lanes, bike paths, sidewalks, and light rail.
- **Economically diverse and vibrant:** the provision of more jobs will make economic mobility more attainable and accessible to current and future residents of Sun Valley.
- **Environmentally resilient in the face of climate change:** redevelopment efforts on the site include an innovative storm water detention system that allows future storm water management to become an asset, not a liability. Future redevelopment efforts anticipate greater connections between the Property and the Platte River; better visual, physical, and accessible connections to the river will ensure that it is protected for future generations.
- **Healthy and active with access to amenities and experiences that make Denver uniquely Denver:** access to the Platte River and the trail system alongside it will create and enhance opportunities to engage in physical activity that promotes healthy living for potentially thousands of daily users living and working on the Property.
- **A city that’s equitable, affordable and inclusive:** though the decision to build commercial or residential has not been made, any future residential will be multifamily which is inherently more attainable than single family dwellings.

b. Blueprint Denver 2019 Update (“Blueprint”)

According to Blueprint Denver, the Property is located in an [Innovation-Flex District](#). As such, the Property contains a mix of uses and offers a diverse range of amenities and complementary services to support the existing commercial office tenants and, potentially, future residents. Existing and future office tenants are predominantly technology-driven firms (NIMBL, Fivetran, Photobucket, MedCad, Lyft). LuckyLeo, a designer and creator of dancewear, qualify as value-add light manufacturing. Raices Brewing Company is a Latino owned craft brewery. These specific uses are exactly what the Innovation-Flex District was designated to encourage.

c. Decatur-Federal Station Area Plan (the “DF Plan”)

The City’s Decatur-Federal Station Area Plan, which covers the Sun Valley Neighborhood and was adopted by City Council in 2013, is intended to support the benefits associated with the area’s revitalization and to encourage development that helps the area rise up to meet its potential. The vision for Sun Valley, as outlined in the DF Plan, addresses four important themes. Outlined below are the ways in which the proposed rezoning of the Property reinforces the City’s objectives for Sun Valley:

- **A CELEBRATED Sun Valley:** The proposed rezoning *builds upon Sun Valley’s history and assets*. Additional development on the Property will be architecturally complementary to

the historic structures on the site and provide a visual reminder to the public that Denver’s built environment can both honor the past and design for the future, simultaneously.

- **A CONNECTED Sun Valley:** The proposed rezoning *reknits the Lower Colfax neighborhood* and *enhances walkability and bikeability*, as well as *makes transit convenient*. In accordance with the Plan, continued improvements to and activation of Lower Colfax street will increase the pedestrian activity, bicycle traffic, and encourage the extension of the South Platte trolley, which has the potential to move thousands of people through the neighborhood, reducing single occupant car dependency.
- **An INNOVATIVE Sun Valley:** The proposed rezoning is located in a *Transit Oriented Development* area, supports the *Stadium District Master Plan* by sheer proximity, reinforces the vision that Sun Valley is *open for business* by attracting new, diverse businesses to the neighborhood – particularly those in search of more affordable space located in a neighborhood with character. The proposed rezoning also helps to reinforce West Colfax’s historic role as a *vibrant corridor*. The proposed rezoning supports the Plan’s recommendation to “bring back Lower Colfax as the main street it formerly was...while improving the public realm.” A rezoning will facilitate activation of this Property by increasing the number of residents and employees, while providing amenities to visitors and neighbors.
- **A HEALTHY Sun Valley:** The proposed rezoning is *healthy for People, the Environment, and the Economy*. Sun Valley is a destination for bicyclists and river recreation enthusiasts. Additional development on the Property will reinforce the notion that the Sun Valley stretch of the Platte River is a “paradise” for outdoor recreationists who will, in turn, encourage continued greenway improvements, as well as river-based programming and events.

c. Decatur-Federal General Development Plan (the “GDP”)

Adopted in 2014, the intent of the GDP is to establish a framework for large or phased projects within the boundaries of the Decatur-Federal Station Area Plan. The goal of the GDP area is to encourage a vibrant mix of uses that builds on the assets of the neighborhood and the job base that exists today. Additionally, the neighborhood is intended to be an eclectic mix of housing, entertainment and employment uses. Urban Ventures’ multiphase development of the Property, and the adjacent STEAM on the Platte project, uphold the GDP’s vision and intent. The current mix of uses are office and a small, locally owned brewery – over 400 jobs exist on the site today. Future build out of the site may include additional office, retail, and multifamily residential – with open space and recreational connections to the South Platte River – creating additional eclectic and diverse mixing of uses. The TOD site encourages multiple forms of transit with a B-Cycle Station onsite, onsite shared parking, and pedestrian/bike connections to the Cherry Creek bike path.

d. La Alma/Lincoln Park Neighborhood Plan (the “Lincoln Park Plan”)

The Property is in the Lincoln Park Plan’s “Mixed Use Zone.” The proposed rezoning supports the Mixed-Use Zone’s Vision and Goals specifically:

- Business opportunities for local businesses and entrepreneurs are supported: local businesses such as LuckyLeo and NIMBL, as well as entrepreneurs like the founders of Raices Brewing Company, are currently tenants on the Property.

- Gateway elements at key entry points: murals on the STEAM on the Platte building and the Raices Brewing Company serve as gateway elements along Zuni Street and West Colfax.
- Strong pedestrian orientation and neighborhood serving uses: the wide and heavily landscaped sidewalks, bike lanes, and human-scaled entry points to the Property's interior provide strong pedestrian orientation. The locally owned (Girls Inc.) coffee shop located inside STEAM on the Platte and the brewery serve the tenants as well as the surrounding neighborhood.

e. Stadium District Master Plan (the "Stadium District Plan")

The proposed rezoning for the Property and the future redevelopment opportunities that will result aligns with the Stadium District Plan's vision. The human-scaled design that accommodates both pedestrians and bicyclists, the brewery use on West Colfax, the integration of public art throughout the site – all of these elements of the Property and the adjacent STEAM on the Platte align with and support the strong "every day experience" and the "game day experience" that the Stadium District Plan seeks to achieve.

2. **Uniformity of District Regulations and Restrictions:** The proposed official map amendment results in regulations and restrictions that are uniform for each kind of building throughout each district having the same classification and bearing the same symbol or designation on the official map, but the regulations in one district may differ from those in other districts.

Urban Ventures is pursuing a rezoning from C-MX-5 to C-MX-8. While located in multiple districts, the sites within a one-mile radius of the site are zoned to support a range of building heights between five and twenty stories. To the Property's north, south, and east, the sites are currently zoned C-MX-5 with a notable exception: in June 2018, City Council unanimously approved a rezoning of the proposed River Mile development (2000 Elitch Circle), which is located less than one-mile to the north of the Property. The newly approved zoning designation, Downtown-Central Platte Valley (D-CPV), will support up to 20 stories in height at River Mile. Sites to the west of the Property – particularly those owned by Denver Housing Authority ("DHA") and bounded by West Colfax Avenue to the north, Federal Boulevard to the west, and Lakewood Gulch to the south – are zoned C-MX-8, a zoning designation that will support the vision of DHA's Sun Valley Homes redevelopment. The Master Plan for the Mile High Stadium District's 52-acres of developable parking lots, which are located less than 0.5-mile from to the Property's northeast anticipates CMX-20 zoning. The support for increased building heights and density are intended, in large part, to facilitate Transit Oriented Development near the Decatur-Federal Light Rail Station, thereby activating the City's transit system and greenways. It bears noting that the Decatur-Federal Light Rail Station Plan supports up to C-MX-12 zoning on the 2060 West Colfax site.

The Property borders West Colfax Avenue and Zuni Street, which – in this zone - are classified as a local street and a collector street, respectively (see Blueprint Denver – 2019). The proposed design for the redevelopment of the Property – walkable, inviting, activated spaces – will balance the existing context, which is dominated by low traffic volumes and slow speeds, with the anticipated changes to the zoning of the surrounding land uses. These changes, namely the proposed up-zoning of the Stadium District, will increase not just car traffic volumes but also increase the pedestrian and bike traffic.

3. **Public Health, Safety, and General Welfare:** The proposed official map amendment furthers the public health, safety, and general welfare of the City. While C-MX-8 is not typical along local streets, there is rezoning precedent in the City of Denver – particularly on sites where the redevelopment has balanced the importance of street presence and provision of adequate parking through build-to requirements, street level activation and parking lot screening along the right of way.

There is a growing body of evidence that the built environment is an important social determinant of health. High density, mixed use communities have shown to promote public health benefits, increase public safety and increase the general welfare of the public. A rezoning of the Property to C-MX-8 would further these goals as follows: activating the riverfront would encourage exercise, promote a sense of community, and provide increased access to nature; increasing the number of households and/or employees in the neighborhood will provide more “eyes on the street” which is proven to increase public safety and decrease crime; creating a pedestrian friendly site will reduce traffic and the resulting pollution by allowing residents and workers to use their cars less, as well facilitate the individual health benefits associated with walking and biking more.

#### **Additional Review Criteria for Non-Legislative Rezonings**

Per the City of Denver’s Rezoning Guide, a rezoning proposal must comply with additional review criteria for non-legislative rezonings as noted in the Denver Zoning Code Section 12.4.10.8, specifically by:

- (1) Providing evidence that one of several Justifying Circumstances noted in the Rezoning Guide exists; *and*
- (2) providing a description of how the proposed official map amendment is consistent with the description of the applicable neighborhood context and with the stated purpose and intent of the proposed Zone District.

With respect to the Justifying Circumstances, the following circumstance exists since the date of the approval of the existing Zone District: the conditions in the area surrounding the Property have changed in the form of rezoning the River Mile and the DHA property to the west. Additionally, the City has adopted the Decatur-Federal Station Area Plan which supports increased density to support TOD development, with a proposed maximum building height of 12-stories for the Property under review ([Decatur-Federal Station Area Plan](#), see page 41).

For the reasons stated above, the proposed official map amendment is consistent with the neighborhood context and with the stated purpose and intent of the Decatur-Federal Station Area Plan. We would appreciate your favorable consideration of this rezoning request.

[Signature page to follow]

Sincerely,

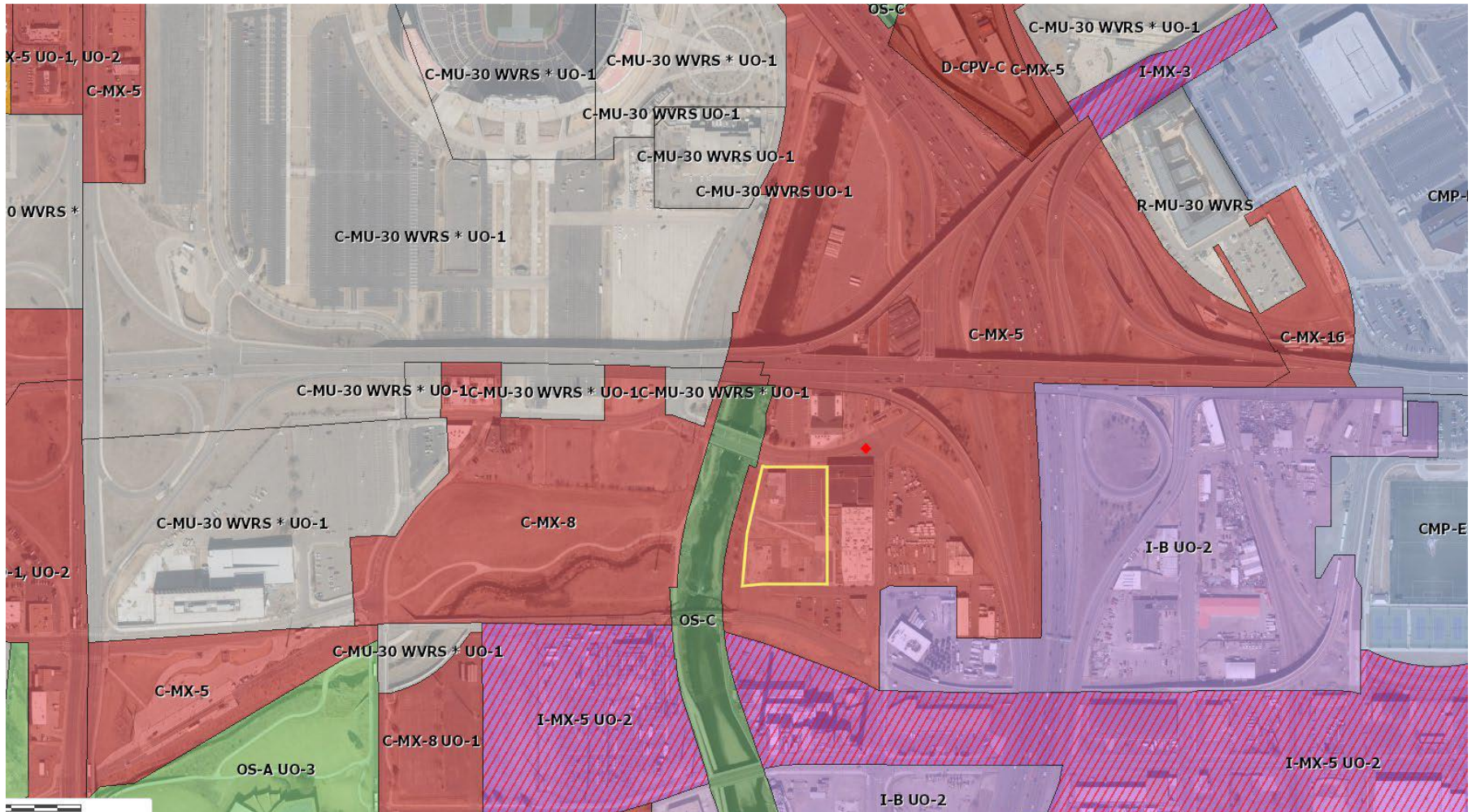
A handwritten signature in black ink that reads "Susan Powers". The signature is written in a cursive, flowing style.

Susan Powers, President  
Urban Ventures, LLC  
Manager, 1401 Zuni Investments, LLC  
1600 Wynkoop Street, Suite 200  
Denver, CO 80202  
[susan@urbanventuresllc.com](mailto:susan@urbanventuresllc.com)  
303-446-0761





### PROPERTY BOUNDARY & EXISTING ZONING CONTEXT



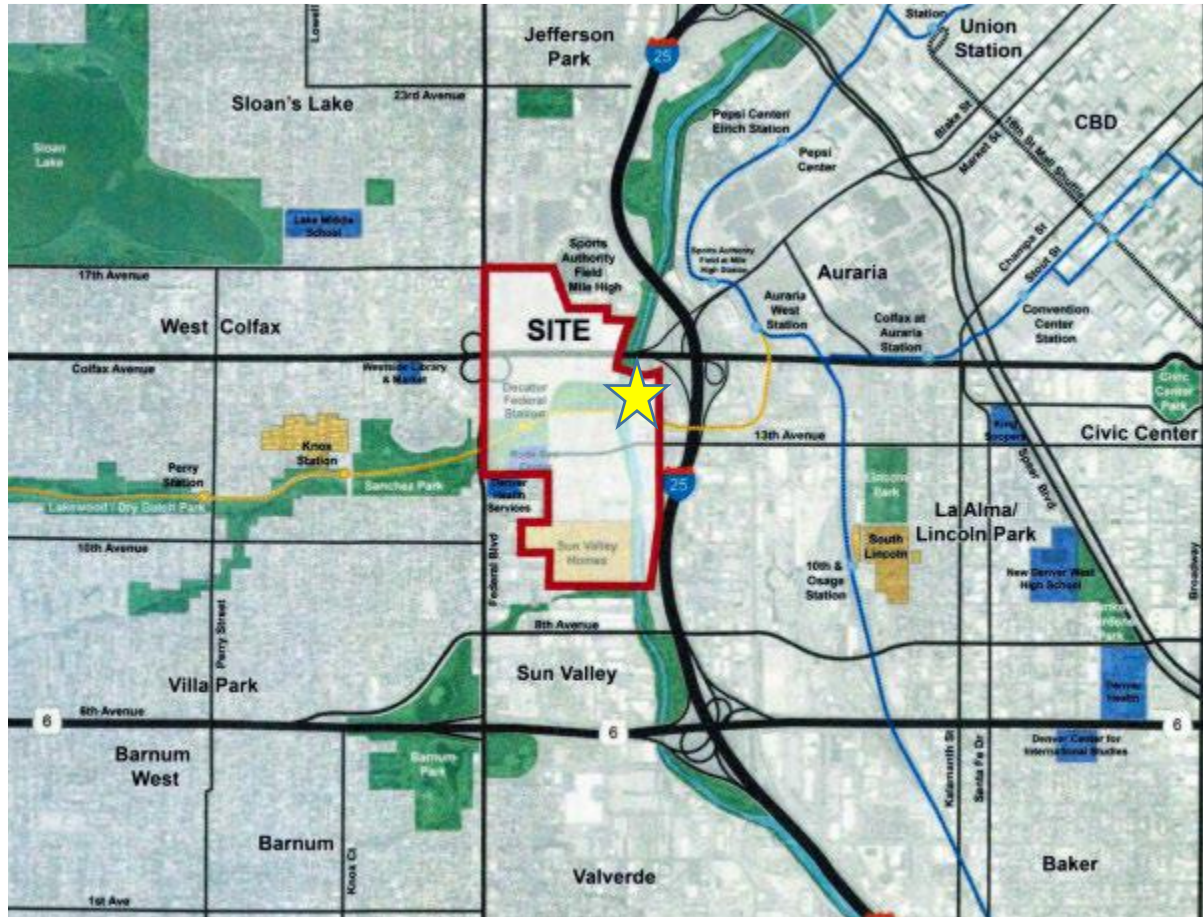
EXISTING CONTEXT WITHIN THE FEDERAL DECATUR STATION AREA PLAN – TRANSIT ORIENTED DEVELOPMENT



MAXIMUM BUILDING HEIGHTS

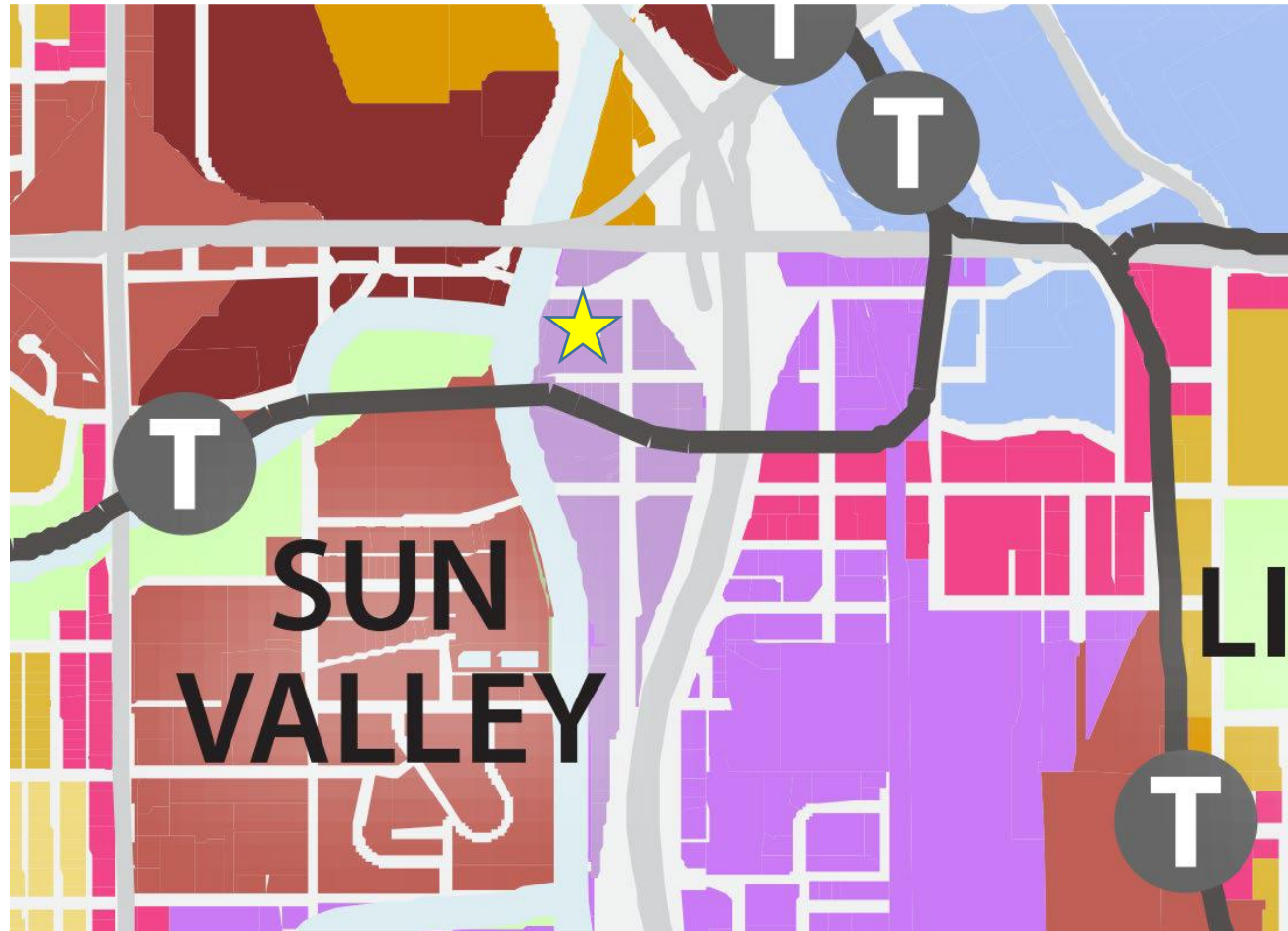


## EXISTING CONTEXT WITHIN DECATUR FEDERAL GENERAL DEVELOPMENT PLAN





**EXISTING CONTEXT WITHIN BLUEPRINT DENVER – INNOVATION / FLEX DISTRICT**





# Urban Ventures Rezoning Concept Submittal

# Steam on the Platte



## Redevelopment Overview

- 3.2-acre site
- 400-ft river frontage
- TOD site (72), very bikable (81)
  
- Phase I: Renovation of 65,000 sf warehouse (circa 1918) into office
- Phase II: Renovation of 6,000-sf auto shop into locally owned brewery
- Phase III: New construction office
- Phase IV: New construction office or residential and parking



# Steam on the Platte



## Redevelopment Vision

Historic preservation

Environmental remediation

Job creation

Neighborhood engagement





# Historic Preservation (1401 Zuni)



2019I-00052



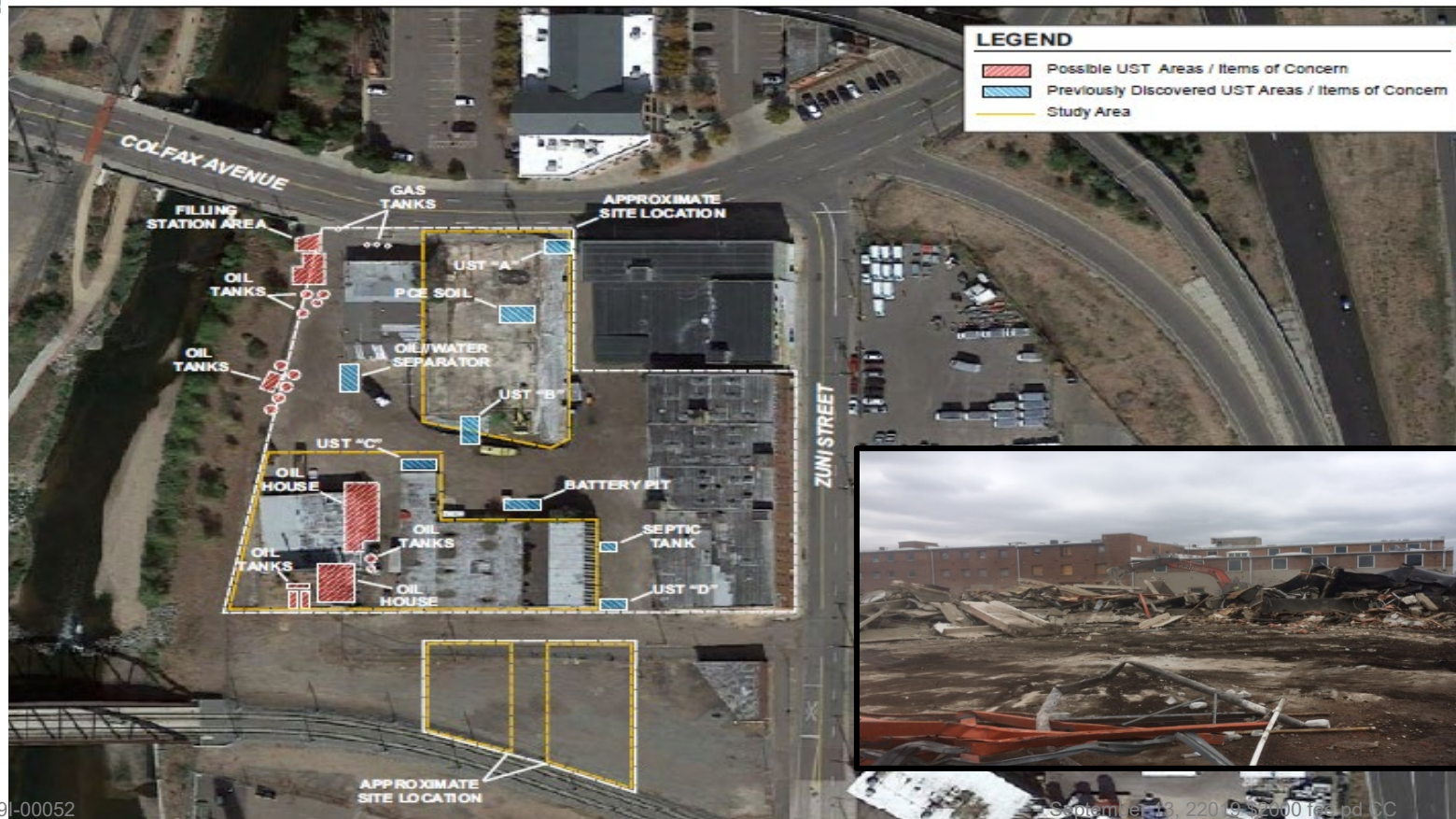
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# Historic Preservation (2060 W Colfax)



# Environmental Remediation (VCUP)

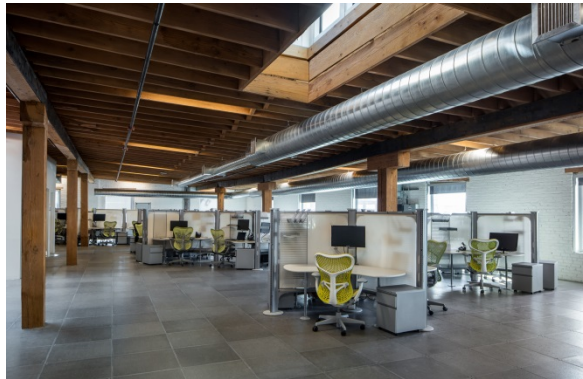




# Environmental Remediation (Stormwater)



# Job Creation (400 NEW Jobs)



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OHLSON LAVOIE COLLABORATIVE + DAVIS WINCE, LTD.

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Fivetran  
20191-00052

Turner



# Neighborhood Engagement





# Public Art & Industrial Heritage



2019I-00052

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# Area Development Activity







# Proposed Rezoning: 5 to 8 stories







# Conceptual Rendering





# Denver Rezoning Process

## Rezoning Process

1. Pre-application review
2. Public outreach
3. Submit complete application
4. City staff review
5. Planning Board public hearing

## Rezoning Process

6. City committee meetings
7. Mayor-Council meeting
8. Council first reading of ordinance
9. Council public hearing
10. Map amendment (or denial)

An overview of a typical rezoning process.



\* This is a typical timeframe estimate. Unique circumstances and/or rezoning complexity will adjust the timeframe.

## LETTER OF SUPPORT

August 16, 2019

**Francisca Penafiel** | Associate City Planner – Urban Design  
Community Planning and Development | City and County of Denver  
p: 720.865.2934 | [francisca.penafiel@denvergov.org](mailto:francisca.penafiel@denvergov.org)

RE: 2061 W COLFAX REZONING REQUEST (1401 ZUNI INVESTMENTS)

Dear Ms. Penafiel:

On behalf of the La Alma Lincoln Park Registered Neighborhood Association (RNA), I am submitting this letter of support for 1401 Zuni Investments rezoning request for 2061 W Colfax. Urban Ventures, the managing member of 1401 Zuni Investments, is requesting a zoning change from C-MX-5 to C-MX-8. The RNA supports this request because it is consistent with the La Alma Lincoln Park Neighborhood Plan, the Decatur-Federal Station Area Plan, the Decatur-Federal General Development Plan, the Stadium District Master Plan, Blueprint Denver, and Comprehensive Plan 2040. Each of these plans encourage development that promote connectivity, innovation, inclusivity, public health, and job creation. Urban Ventures has demonstrated through their Steam on the Platte redevelopment, which is adjacent to the 2061 W Colfax site, that they embody these values and can successfully implement them in their properties and projects.

A great deal of change is on the horizon for La Alma Lincoln Park. The RNA wholeheartedly supports Urban Ventures' rezoning request on the basis that it will facilitate positive change in the neighborhood and will benefit both existing and future residents and businesses.

Sincerely,



Amanda Hardin, President  
La Alma Lincoln Park Registered Neighborhood Association  
[amandalpna@gmail.com](mailto:amandalpna@gmail.com)  
303-929-8152