

**OUTLETS AT CASTLE ROCK  
RETAIL INFRASTRUCTURE ASSISTANCE AGREEMENT**

**THIS RETAIL INFRASTRUCTURE ASSISTANCE AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the **TOWN OF CASTLE ROCK**, a home rule municipal corporation of the State of Colorado (the “Town”), **CRAIG REALTY GROUP-CASTLE ROCK, LLC**, a Colorado limited liability company, d/b/a the **OUTLETS AT CASTLE ROCK** (the “Owner”).

**WITNESSETH:**

**WHEREAS**, the Outlets at Castle Rock (the “Outlets”) has been a vibrant shopping center in the Castle Rock community for over three decades; and

**WHEREAS**, in the years since it purchased the Outlets in 2005, the Owner has invested over \$50 million in the Outlets – an investment that has translated in a significant increase in overall sales from approximately \$75 million in 2005 to over \$200 million in 2025; and

**WHEREAS**, during that time, the retail environment has also evolved, requiring the addition of quality restaurants to enhance the customer experience; and

**WHEREAS**, to meet this demand, the Owner has proposed the development of two new restaurant pad sites to be located on the west side of the Outlets (the “Project”); and

**WHEREAS**, recent increases in the costs associated with Project site preparation, however, have made the cost of the Project prohibitive without some form of economic assistance; and

**WHEREAS**, the Owner has asked the Town to contribute to these costs by: (i) reimbursing all of the Town permit fees assessed on this Project; and (ii) rebating a portion of the Town sales tax revenues collected on retail sales made at the Project restaurants (the “Restaurants”) over the next ten (10) years; and

**WHEREAS**, since opening in 1992, the Outlets have been the largest provider of sales tax revenues to the Town; and

**WHEREAS**, it is estimated that the Restaurants will create approximately \$18 million in new annual taxable sales, thereby providing the Town with a much-needed source of additional sales tax revenues to provide municipal services to its residents; and

**WHEREAS**, the Town finds that the Owner’s request qualifies for economic assistance from the Town under Section 3.04.025 of the Town Code.

**NOW, THEREFORE**, in reliance on the matters set forth above, and in consideration of the mutual covenants and promises expressed herein, the Town and the Owner hereby agree as follows:

## **ARTICLE I DEFINITIONS**

**1.01 Defined Terms.** Unless the context expressly indicates to the contrary, the following words, when capitalized in the text, shall have the meanings indicated:

**Agreement:** this Outlets at Castle Rock Retail Infrastructure Assistance Agreement.

**Improvements:** the public and private improvements necessary to support development of the Project.

**Outlets:** the Outlets at Castle Rock, a shopping center located in the Town whose address is 5050 Factory Shops Boulevard, Unit 437, Castle Rock, Colorado 80108.

**Owner:** Craig Realty Group-Castle Rock, LLC, a Colorado limited liability company d/b/a the Outlets at Castle Rock.

**Project:** the two restaurant pad sites to be located on the west side of the Outlets that will be developed by the Owner and sold and/or leased to one or more restaurant operators.

**Project Approvals:** the construction permits required under the Town Regulations for the Project, inclusive of applicable public works and building permits.

**Restaurants:** the 8,000-square foot sit-down restaurant and 7,000-square foot sit-down restaurant that will be located on the two restaurant pad sites to be developed by the Owner and sold and/or leased to one or more restaurant operators that are new to the Castle Rock market.

**Town:** the Town of Castle Rock, a home rule municipal corporation of the State of Colorado.

**Town Code:** the Castle Rock Municipal Code, as amended from time to time.

**Town Fees:** the permit fees, land use application fees, system development fees, and development impact fees, imposed by the Town pursuant to the Town Regulations, all as more particularly described in the schedule of estimated Town Fees attached hereto and incorporated herein as ***Exhibit 1***. For purposes of this Agreement, Town Fees shall not include Town use taxes on construction and building materials.

**Town Regulations:** the Town Charter, ordinances, resolutions, rules, regulations and technical criteria of the Town, including the Town Code, and other provisions of all zoning, subdivision and building codes, as the same may be amended from time to time.

**Town Sales Tax:** means the first 4.00% sales tax imposed by the Town on sales of goods and services that are subject to taxation as prescribed in Chapter 3.04 of the Town Code. For purposes of this Agreement, Town Sales Tax shall not include the 0.2% public safety sales tax authorized by the registered electors of the Town at the November 5, 2024, regular municipal election.

Certain other terms are defined in the text of the Agreement and shall have the meaning indicated.

## **ARTICLE II APPLICATION AND EFFECT**

**2.01 Applicability.** This Agreement, and the financial incentives extended to the Owner for the Project, are exclusive to the Owner and to the Project and are not assignable or transferable to any other property, development interests, activities, or operations, except as expressly set forth herein.

**2.02 Town Regulations.** Town Regulations shall apply to the development of the Project in the same manner and effect as within other areas of the Town. The development and use of the Project shall be subject to the payment of all fees and taxes imposed by the Town through the Town Regulations.

**2.03 Non-Exclusivity.** This Agreement does not restrict the Town from extending financial assistance incentives to any other project or enterprise, including projects that may offer similar goods and services to those of the Project, and any other project or enterprise within the Outlets.

## **ARTICLE III FINANCIAL ASSISTANCE**

**3.01 Qualifying Project.** All financial assistance contained in this Article III is conditioned on (a) the issuance of Project Approvals by the Town by no later than December 31, 2026; (b) the construction and/or installation of all Improvements in accordance with applicable Town Regulations by no later than December 31, 2027 (subsections (a) and (b) shall be referred to individually and collectively as the “Compliance Date(s)”; (c) the opening of the Restaurants to the public by no later than December, 2028 (the “Opening Date”). If either of the Compliance Dates or the Opening Date is not met by the Owner, then, at the option of the Town, this Agreement may be terminated. In such event, the Agreement shall have no force or effect, and all financial assistance established in this Article III shall lapse.

Alternatively, the Town, at its sole option and discretion, may extend either Compliance Date and/or the Opening Date for good cause. Any action taken by the Town under this Section shall be effected by written notice to the Owner by the Town Manager and shall become effective and irrevocable as of the date of such notice. The cure rights afforded to the Owner under Section 4.03 shall be applicable to notice given pursuant to this Section 3.01.

**3.02 Town Fee Rebate.** Owner shall pay all Town Fees due at the time that it submits its applications for Project Approvals. The actual amount of the Town Fees due and owing by the Owner will be determined at the time of permit application and approval. The Town agrees to rebate to Owner an amount equal to 100.00% of all Town Fees paid by the Owner (the “Town Fee Rebate”). The Town Fee Rebate shall be paid to Owner in full by no later than 30 days following the Opening Date.

**3.03 Sales Tax Rebate.** Provided that (i) all Project Approvals have been issued by the Town; (ii) the Improvements have been constructed and/or installed in accordance with applicable Town Regulations and (iii) the Restaurants have opened for business in substantial conformance with this Agreement, pursuant to Section 3.04.025 of the Town Code, and subject to the conditions set forth below, the Town shall rebate to the Owner one-half (50.00%) of Town Sales Tax sales tax actually collected and received for taxable sales at the Restaurants for a period not to exceed five (5) years (60 months) commencing on the Opening Date (the “Sales Tax Rebate”). The total amount of Sales Tax Rebates paid hereunder shall not exceed the aggregate sum of \$900,000.00 minus all Town Fees rebated pursuant to Section 3.02 hereof. All Sales Tax Rebate payments will be sent to the Owner on a quarterly basis in accordance with the following schedule:

<b>Date Received</b>	<b>Payment Due Date</b>
First Quarter (January, February, March)	May 31
Second Quarter (April, May, June)	August 31
Third Quarter (July, August, September)	November 30
Fourth Quarter (October, November, December)	February 28

Notwithstanding any language in this Agreement to the contrary, the Town, at its sole discretion, may elect to pay the Sales Tax Rebate, in whole or in part, at any time throughout the term of this Agreement, from any lawfully available source of Town revenues that have been budgeted and appropriated for this purpose.

**3.04 No Creation of Debt or Multiple-Fiscal-Year Financial Obligation.** The Town’s commitment to pay Town Fee Rebates and Sales Tax Rebates to the Owner is expressly made subject to the limitations of the Colorado Constitution. Nothing herein shall constitute, nor be deemed to constitute, the creation of a debt or a multiple-fiscal-year financial obligation by the Town contrary to Article X, Section 20 of the Colorado Constitution, or any other constitutional, statutory, or charter debt limitation.

With respect to any payment of Town Fee Rebates or Sales Tax Rebates that is due and owing in a future fiscal year, the Town’s performance hereunder shall be conditioned upon the annual budget and appropriation of such payment by the Town Council. In the event Town Council should fail to authorize any such payment in a future fiscal year, the Town’s obligation to make any such payment to the Owner shall expire at the close of the fiscal year for which Town funds were budgeted and appropriated for such purpose, without any penalty or further recourse to the Town.

**3.05 Business Termination.** This Agreement is specific to the Project and the Outlets, including the continued operation of the Restaurants. If, at any time throughout the term of this Agreement, either Restaurant ceases its business operations on the Property (except for temporary closures necessitated by remodeling, etc., damage or destruction due to casualty or other force majeure events) and the Owner fails to arrange for a new Restaurant tenant at such location within 90 days of such cessation, this Agreement shall terminate. In the event of such early termination, the Town shall make a final payment to the Owner of the Town Fee Rebate, if applicable, or that portion of the Sales Tax Rebate accrued to the date of termination.

**3.06 Subordination.** The Town's obligation to pay the Sales Tax Rebate to the Owner is subordinate to the Town's obligation to pay any current or future bonds, or other indebtedness which are backed by a Town sales tax pledge. In addition, the Town's obligation to pay the Sales Tax Rebate under Section 3.03 is contingent upon the existence of surplus in sales tax revenues in excess of the sales tax revenues necessary to meet such existing or future bond or debt service payments.

## **ARTICLE IV OTHER PROVISIONS**

**4.01 Event of Default.** Failure of the Town or the Owner to perform any covenant, agreement, obligation or provision of this Agreement, shall constitute an event of default under this Agreement.

**4.02 Remedies.** Upon default of this Agreement and failure to timely cure, the non-defaulting party shall have the right to take whatever action at law or in equity necessary or desirable to enforce performance and compliance with this Agreement, or to collect the monies then due and thereafter to become due; provided, however, in the event of a default by the Owner, the Town's sole remedy shall be to deny payments under Article III which become due to the Owner after the uncured event of default. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party.

**4.03 Default Notice.** In the event a party alleges that the other party is in default, the non-defaulting party shall first notify the defaulting party in writing of such default and specify the exact nature of the default in such notice. The defaulting party shall have twenty (20) business days from receipt of such notice within which to cure such default before the non-defaulting party may exercise any of its remedies.

**4.04 Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

**4.05 Venue.** Venue for any action to enforce or interpret the terms of this Agreement shall be in the District Court, Douglas County, Colorado.

**4.06 Amendment.** Any and all changes to this Agreement, in order to be mutually effective and binding upon the parties and their successors, must be in writing.

**4.07 Non-Assignability.** This Agreement and all interests and benefits of the Owner hereunder, including the financial assistance extended to the Owner, may not be assigned by the Owner without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned or delayed.

**4.08 No Third-Party Beneficiaries.** No third-party shall have any claim to the Town Fee Rebate or Sales Tax Rebate or the right to enforce or benefit from this Agreement. This Agreement creates no third-party beneficiaries. The Town will have fully discharged its obligation to pay the Town Fee Rebate or Sales Tax Rebate in any particular fiscal year by disbursement to the Owner. Accordingly, the Owner shall indemnify and defend the Town against any claims to the Town Fee Rebate or Sales Tax Rebate made by any third-party. Such indemnification shall extend to any reasonable attorney's fees incurred by the Town.

**4.09 Governmental Immunity.** Nothing in this Agreement is to be construed as a waiver of any limitations upon, or immunity from, suits against the Town, its officers, agents, or employees, as may be provided by law.

**4.10 Notice.** Any and all notices allowed or required to be given in accordance with this Agreement are deemed to have been given when delivered to a party, or three (3) days following the date the same is deposited in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed to the other party at the address noted; or such address as is subsequently endorsed in writing.

If to Town:	Town of Castle Rock 100 N. Wilcox Street Castle Rock, Colorado 80104 Attn: David L. Corliss, Town Manager
With a copy to:	Town of Castle Rock 100 N. Wilcox Street Castle Rock, Colorado 80104 Attn: Michael J. Hyman, Town Attorney
If to Owner:	Craig Realty Group-Castle Rock, LLC 4100 MacArthur Boulevard, Suite 100 Newport Beach, California 92660 Attn: Steven L. Craig, President/Chief Executive Officer

**4.11 Entire Agreement.** This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations or agreements, either verbal or written.

(Signature pages to follow.)

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the date set forth above.

**TOWN:**

**ATTEST:**

**TOWN OF CASTLE ROCK**

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Lisa Anderson, Town Clerk

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Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

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Michael J. Hyman, Town Attorney

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David L. Corliss, Town Manager

**OWNER:**

**CRAIG REALTY GROUP-CASTLE ROCK, LLC,**  
a Colorado limited liability company

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Steven L. Craig, President/Chief Executive Officer

**EXHIBIT 1**  
**SCHEDULE OF ESTIMATED TOWN FEES**  
(to be attached)