

OWNER PARTICIPATION AGREEMENT

THIS AGREEMENT (the Agreement) is made as of _____, 2005, by and between the GOLDEN URBAN RENEWAL AUTHORITY (GURA) and SAFEWAY INC., a Delaware corporation (Owner).

1. Eligible Costs. GURA is carrying out the Golden Urban Renewal Plan a/k/a the Golden Downtown Redevelopment Plan (the Plan). Owner owns the real property located in the City of Golden, County of Jefferson, State of Colorado, legally described in Exhibit A, attached to and made a part hereof (the Safeway Property). The Owner is making certain improvements to the Safeway Property, which work requires removal of floor tile containing asbestos. The reasonable and necessary costs (the Eligible Costs) of the asbestos abatement are eligible for reimbursement by GURA pursuant to the Plan and the Colorado Urban Renewal Law (Law). The Owner is incurring the Eligible Costs because of the mandates of applicable federal, state, and local laws as life safety expenditures and improvements to the Safeway Property required for protection of employees and customers of the Owner. In consideration of the covenants of the Owner herein, GURA agrees to reimburse the Owner for the Eligible Costs in accordance with this Agreement.

a. The Eligible Costs are the actual, reasonable and necessary costs of asbestos abatement in floor tile, not to exceed the amount of \$85,000.00. The Owner shall complete construction of the improvements on the Safeway Property that include the Eligible Costs on or before _____ (the Completion Date).

b. The Owner shall provide GURA with evidence satisfactory to GURA documenting and certifying the Eligible Costs paid by the Owner. Such evidence shall consist of cancelled checks, payment records, certification of architects and other representatives of the Owner showing the Eligible Costs. GURA agrees to reimburse the Owner for such Eligible Costs up to the maximum of \$85,000.00 (the Reimbursement Obligation).

2. Payment of Reimbursement Obligation. Subject to the provisions of this Agreement, the Reimbursement Obligation shall be paid from a fund (the Special Fund) consisting solely of the municipal sales tax increments produced from the Safeway Property calculated as follows: Beginning as of the Completion Date, GURA shall calculate the annual municipal sales tax increments produced on the Safeway Property (the Sales TIF) in excess of the 2004 base amount. Such calculations shall be made in accordance with the procedure described in Section 31-25-107(9) of the Law. On or before each April 1 for the Term (described in Section 3), GURA shall deposit into the Special Fund and pay to the Owner 25% of the Sales TIF it receives from the City of Golden (the City) each year, except that no annual payment shall exceed \$17,000. The 2005 payment from the Special

Fund will be prorated as of the Completion Date. The Reimbursement Obligation is a limited obligation payable solely from the Special Fund. The Reimbursement Obligation is not a debt or general obligation of GURA and is not a debt of the City or the State of Colorado or of any political subdivision of the State of Colorado or any other public body. Such payment shall not be payable from or constitute a charge upon any funds of GURA or the City except from the Special Fund and then only to the extent and in the manner specified in this Agreement.

3. Term. In no event will the Reimbursement Obligation exceed \$85,000.00. Notwithstanding any language herein to the contrary, this Agreement shall terminate on the first to occur of payment in full of the Reimbursement Obligation or the sixth anniversary of the Completion Date (the Term).

4. Representations and Warranties by the Owner. The Owner represents, warrants and certifies to GURA as follows:

a. The Owner is a Delaware corporation, validly existing, in good standing, and qualified to do business in the State of Colorado, and has the legal capacity and the authority to enter into and perform its obligations under this Agreement and the documents to be executed and delivered pursuant hereto;

b. The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to make this Agreement and such documents and such performance and observance are valid and binding upon the Owner;

c. The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not (1) conflict with or contravene any law, order, rule or regulation applicable to the Owner or to the Owner's governing documents, (2) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Owner is a party or by which it may be bound or affected, or (3) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Owner;

d. The Owner knows of no litigation, proceeding, initiative, referendum, or investigation or threat or any of the same contesting the powers of GURA, the Owner or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to GURA; and

e. The Owner has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or

otherwise, to construct the improvements and incur the Eligible Costs, subject to the terms and conditions of this Agreement. This Agreement constitutes a valid and binding obligation of the Owner, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

f. The Owner will allow prominent placement of the Downtown Directory sign on the Safeway Property in the location depicted on the Site Plan attached to and made a part of this Agreement as Exhibit B, beginning on the date this Agreement is executed and for as long as the Safeway Property is owned or operated by Owner. Owner will allow GURA or its agents unrestricted access to the sign for purposes of updating and/or replacing the sign.

5. Remedies. If any event of default by GURA occurs and is continuing hereunder, the Owner may seek enforcement of the Reimbursement Obligation. In no event shall GURA be liable for special, consequential, or punitive damages. If any event of default by the Owner occurs and is continuing hereunder, GURA may seek any available remedy at law or in equity and terminate this Agreement, provided, however, that in no event shall GURA be entitled to receive money damages in excess of its actual, out-of-pocket damages, if any. In addition, the nondefaulting party may recover its reasonable costs and attorney fees.

6. Notices. Unless otherwise notified in writing by either party, all notices required or permitted by this Agreement shall be in writing and shall be sufficiently given if delivered in person, by prepaid overnight express mail or express courier to either party or by certified mail, with postage prepaid, return receipt requested and addressed:

In the case of GURA to:

Golden Urban Renewal Authority
Attention: Executive Director
922 Washington Avenue, Suite 100
Golden, Colorado 80401

In the case of Owner to:

Safeway Inc.
Real Estate Law Division
5918 Stoneridge Mall Road
Pleasanton, CA 94588

With a copy to:

Safeway, Inc.
Attention: Dan Clayton, Real Estate Manager
6900 South Yosemite
Englewood, Colorado 80112-1412

7. Further Assurances: Estoppel Certificates. The parties and any assignee or successor in interest agree to execute such additional instruments or documents and take such other actions as shall be reasonably requested by the other party to implement this Agreement. The parties agree to execute such documents as the other party shall reasonably request to verify or confirm the status of this Agreement and of the performance of the obligations hereunder.

8. Covenant of Good Faith. Each party agrees to act reasonably and in good faith in performing or attempting to perform each and every condition, covenant, obligation or duty required by the Agreement, and any other agreement implementing this Agreement, and each party shall not unreasonably, arbitrarily or capriciously withhold any approval or action required by the Agreement.

9. GURA or City Not a Partner. Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, neither GURA nor the City shall be deemed to be a partner or joint venturer of the Owner and neither GURA nor the City shall be responsible for any debt or liability of the Owner.

10. City Not a Party. The City is not a party to this Agreement, and GURA is not part of the City or a department or agency of the City and is not authorized to bind or represent the City or the position of the City in any manner whatsoever, nor is the City authorized to bind or represent GURA or the position of GURA in any manner whatsoever.

11. Binding Effect. The Agreement shall be binding upon and inure to the benefit of the parties, their personal representatives, successors and assigns.

12. Amendments. This Agreement is the entire Agreement of the parties as to the subject matter herein and supersedes and replaces all prior agreements with respect to the subject matter herein and may be amended only in writing fully subscribed by the parties or their permitted successors or assigns.

13. Assignment. Except as may be otherwise provided herein and except for transfers made for estate planning purposes, this Agreement or any rights or interest in this Agreement may not be assigned or transferred by either party without the prior written approval of the other party. Such approval shall not be unreasonably withheld.

14. Minor Changes. This Agreement is approved in substantially the form submitted to the Owner and to the Board of Commissioners of GURA. The officers

executing the Agreement are authorized to make such minor changes in the Agreement and the attachments as may be necessary, so long as such changes are consistent with the intent and understanding of the parties. The execution of the Agreement or any document regarding such minor changes by both parties shall constitute conclusive evidence of the approval of such changes by the respective parties.

15. Enforced Delay and Performance for Causes Beyond Control of Party. Neither party shall be considered in default of its obligations under this Agreement in the event of enforced delay due to causes beyond its control and without its fault or negligence, including, without limitation, acts of God, acts of the public enemy, acts of the federal, state or local government, acts of the other party, acts of third-parties, acts or orders of court, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather or delays of subcontractors or material men due to such causes. In the event of the occurrence of any enforced delay, the time or times for performance of the obligations of the party claiming delay shall be extended for the period of the enforced delay; provided, that the party seeking the benefit of the provisions of this Section shall notify the other party, within fourteen (14) days after such party knows of any enforced delay, of the specific delay in writing and claim the right to an extension of the period of the enforced delay.

16. Authority. The persons executing this Agreement on behalf of parties represent and warrant that each is fully authorized to bind such party to all of the terms and conditions of this Agreement.

17. Incorporation by Reference. The exhibits to this Agreement are incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

GOLDEN URBAN RENEWAL AUTHORITY

By:

Roya Stanley, Chair

Attest:

Mark Heller, Executive Director

SAFEWAY INC.,
a Delaware corporation

By: _____
Its Assistant Vice President

By: _____
Its Assistant Secretary