

LOVELAND URBAN RENEWAL AUTHORITY  
CITY OF LOVELAND, COLORADO

GENERAL AND NO-LITIGATION CERTIFICATE

The undersigned hereby certify that they are the Chair for the Loveland Urban Renewal Authority (the "Authority") and the City Attorney for the City of Loveland, Colorado (the "City"), also acting as counsel to the Authority, and hereby make the following certifications on behalf of the Authority in connection with the Cooperation Agreement dated January 15, 2019 (the "LURA Cooperation Agreement"), between the Authority and Foundry Loveland Metropolitan District (the "District"); provided that the certifications provided in paragraph 6 below are made solely by the City Attorney, and are given in his limited capacity as legal counsel to the Authority for general matters. On the date hereof the District and Compass Bank d/b/a BBVA Compass (the "Bank"), are entering into a Loan agreement (the "Loan Agreement"), pursuant to which the Bank has agreed to make a loan to the District payable, in part, from revenues payable by the Authority to the District pursuant to the LURA Cooperation Agreement.

WE, THE UNDERSIGNED OFFICIALS OF THE AUTHORITY CERTIFY, TO THE BEST OF OUR KNOWLEDGE, THAT:

1. The Authority is a duly organized body corporate, validly existing as an urban renewal authority under the Colorado Urban Renewal Law, being Colorado Revised Statutes Section 31-25-101 et seq., as amended, with full power and authority to adopt the Authority Resolution (as hereinafter defined), and to enter into and perform its obligations under the LURA Cooperation Agreement.
2. The LURA Cooperation Agreement was approved by the City Council of the City of Loveland, Colorado, acting as the Commissioners of the Board of the Authority (the "Board") pursuant to Resolution #R-13-2019, adopted on January 15, 2019 (the "Resolution"), a copy of which resolution is attached hereto as Exhibit A.
3. The adoption by the Board of the Resolution was conducted in accordance with all requirements of the Colorado law and all applicable procedural rules.
4. The Resolution has not been supplemented, repealed, rescinded, revoked, modified, amended, changed or altered in any manner since its adoption by the Board and is in full force and effect on the date hereof.
5. The LURA Cooperation Agreement has been duly authorized, executed and delivered on behalf of the Authority.
6. Assuming due authorization, execution and delivery by the other parties thereto, the LURA Cooperation Agreement constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms.

7. The Authority has not been and is not, as of the date hereof, in breach of or default under the LURA Cooperation Agreement. The authorization, execution and delivery by the Authority of the LURA Cooperation Agreement did not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any applicable law, rule, regulation, resolution, ordinance, judgment, order or decree to which the Authority is subject or under any indenture, commitment, agreement or other instrument to which the Authority is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject.

8. There is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body which has been served on the Authority or, to the knowledge of the Authority, threatened in writing against or affecting the Authority: (i) to restrain or enjoin the Authority's participation in, or in any way contesting the existence of the Authority or the powers of the Authority with respect to the transactions contemplated by the LURA Cooperation Agreement and the consummation of such transactions, or (ii) which, if successful, would materially and adversely affect the Authority's power to perform its obligations under the LURA Cooperation Agreement.

9. All meetings of the Board pertaining to the adoption of the Resolution have complied with the open meeting provisions of the Colorado Sunshine Act of 1972, Part 4 of Article 6 of Title 24, Colorado Revised Statutes, and advance public notice of the time and place of each of the meetings was duly given in accordance with the applicable laws of the State.

By execution of this Certificate, the undersigned does not intend that any person other than the parties to the Loan Agreement shall rely upon this Certificate. This Certificate is not intended to induce reliance or induce any third party to enter into a transaction or transactions.

IN WITNESS WHEREOF, we have hereunto set our respective signatures as of this 10th day of April, 2019.

LOVELAND URBAN RENEWAL AUTHORITY

City Attorney: Moses Janie

Chair: Jacob Alal

EXHIBIT A  
Authority Resolution

**RESOLUTION #R-13-2019**

**A RESOLUTION APPROVING A COOPERATION AGREEMENT  
BETWEEN FOUNDRY LOVELAND METROPOLITAN DISTRICT AND  
LOVELAND URBAN RENEWAL AUTHORITY**

**WHEREAS**, the Loveland Urban Renewal Authority (“LURA”) is a body corporate and politic of the State of Colorado established pursuant to Title 31, Article 25, Part 1, Colorado Revised Statutes (“C.R.S.”)(the “Act”); and

**WHEREAS**, the Foundry Loveland Metropolitan District (the “District”) is a quasi-municipal corporation duly organized and existing as a metropolitan district pursuant to Title 32, Article 1, Part 1, C.R.S.; and

**WHEREAS**, pursuant to Article XIV of the Colorado Constitution, and Title 29, Article 1, Part 2, C.R.S., the District and the Authority are authorized to cooperate and contract with one another to provide any function, service or facility lawfully authorized to each governmental entity; and

**WHEREAS**, the City of Loveland, Colorado (the “City”) is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its City Charter; and

**WHEREAS**, the City Council of the City has heretofore approved the City of Loveland, Urban Renewal Plan dated October 1, 2002, as amended from time to time (the “Plan”) and the downtown urban renewal area described therein (the “Urban Renewal Area”); and

**WHEREAS**, pursuant to the District’s Service Plan, the District is authorized to assist in the financing, construction, operation, and maintenance of public improvements for the redevelopment of the Project Area; and

**WHEREAS**, the Plan provides that the goals of the urban renewal effort are to serve primarily as a redevelopment catalyst for the downtown area, and that the actions of the Authority should be in accordance with the Plan goals of: eliminating and preventing conditions of blight which constitute an economic and social liability to the community; preventing the physical and economic deterioration of the Urban Renewal Area; attracting capital investment in the downtown and assisting in the retention and expansion of existing businesses, thus strengthening the City’s economic base; creating a stable tax base; and facilitating the development of mixed-use projects in the downtown area; and

**WHEREAS**, pursuant to the Act, the Authority is authorized to undertake urban renewal projects and to make and execute any and all contracts and other instruments necessary to implement such urban renewal projects; and

**WHEREAS**, the City has entered into a Disposition and Redevelopment Agreement, dated December 13, 2016, as amended (collectively, as amended, the “DRA”) with Foundry Loveland, LLC, a Colorado limited liability company (the “Developer”) pursuant to which the Developer has agreed to acquire, develop, construct and install a mixed use project within the

downtown area of the City and the Urban Renewal Area that is known as the Foundry Project (the "Foundry Project") as further set forth in the DRA; and

**WHEREAS**, the Authority has determined, and now hereby determines, that the acquisition, construction and installation of the Foundry Project in the Urban Renewal Area will serve the public purposes and goals of the Plan; and

**WHEREAS**, pursuant to the terms and provisions of the DRA, the City has agreed to pay or reimburse the Developer for the acquisition, construction and installation of certain Eligible Public Improvements (as defined in the DRA) located within the Foundry Project, subject to the terms and provisions thereof; and

**WHEREAS**, the District is expected to provide services and facilities to assist the Authority in carrying out the Urban Renewal Plan; and

**WHEREAS**, included in the Eligible Public Improvements being constructed by the Developer are a Parking Facility (the "Parking Facility") and a Public Plaza area (the "Public Plaza"); and

**WHEREAS**, as contemplated in the DRA and the Service Plan, the District will own, operate, and maintain the Public Plaza and the City will own, operate, and maintain the Parking Facility; and

**WHEREAS**, as further contemplated in the DRA and the Service Plan, the District will impose an operations mill levy to generate revenues to allow the District to participate in providing for the operations and maintenance thereof and to provide revenues for other budgeted general expenditures of the District; and

**WHEREAS**, the City and the District entered into that certain District Pledge Agreement, dated April 26, 2017, as amended, pursuant to which the District agreed to impose its District Debt Service Mill Levy (as defined therein) in accordance with the provisions of the DRA, and (a) pledge certain revenues to the payment of debt service requirements on bonds issued by the City, or (b) at the written direction of the City, remit all or a portion of the pledged revenues to the City or its designee; and

**WHEREAS**, the Authority will receive certain Property Tax Increment Revenues from ad valorem property taxes levied by the District on property within the Foundry Project; and

**WHEREAS**, in order to ensure the District has sufficient funds to participate in the costs required to operate and maintain the Public Plaza, to finance the cost of constructing, operating, and maintaining additional public improvements for the Foundry Project, and to pay for the general operating expenditures of the District, the District intends to impose a mill levy, in excess of the District Debt Service Mill Levy, to the extent permitted by the District's Service Plan (the "Additional District Mill Levy"); and

**WHEREAS**, to further the objectives of the Plan, the District has requested the Authority to reimburse to the District all Property Tax Increment Revenues collected as a result of the District's imposition of the Additional District Mill Levy; and

**WHEREAS**, the Authority desires to use the Property Tax Increment Revenues generated by the District's imposition of the Additional District Mill Levy to permit the District to participate in funding the costs required to operate and maintain the Public Plaza, to provide for the District's general administrative and overhead expenses, and to permit the District to repay debt incurred to acquire, construct, install, operate and maintain public improvements serving the Foundry Project; and

**WHEREAS**, in order to further the purposes of the Plan, the City Council of the City, acting as the Board of Directors of LURA, has determined and hereby determines that it is necessary, desirable and in the best interests of LURA to enter into a Cooperation Agreement between Foundry Loveland Metropolitan District and Loveland Urban Renewal Authority (the "District Cooperation Agreement") in substantially the form attached hereto as **Exhibit "A"** and incorporated by reference.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO, ACTING AS THE BOARD OF THE LOVELAND URBAN RENEWAL AUTHORITY:**

**Section 1.** The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of LURA.

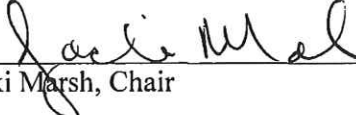
**Section 2.** The Chair or Executive Director are authorized, following consultation with the City Attorney, to modify the District Cooperation Agreement in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of LURA.

**Section 3.** The Chair or the Executive Director are hereby independently authorized and directed to execute the District Cooperation Agreement on behalf of LURA. The execution of the District Cooperation Agreement by the appropriate officers of LURA herein authorized shall be conclusive evidence of the approval by LURA of the District Cooperation Agreement in accordance with the terms hereof.

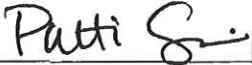
**Section 4.** The officers and employees of the City and LURA are hereby independently authorized and directed to take all action necessary or appropriate to implement and effect the provisions of this Resolution and the District Cooperation Agreement. The execution of any document or instrument by the appropriate officers herein authorized shall be conclusive evidence of the approval by LURA of such agreement, document or instrument in accordance with the terms hereof.

**Section 5.** This Resolution shall be effective as of the date of its adoption.

ADOPTED this 15<sup>th</sup> day of January, 2019.


  
\_\_\_\_\_  
Jacki Marsh, Chair

ATTEST:

  
\_\_\_\_\_  
Beard Secretary City Clerk



APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**COOPERATION AGREEMENT  
BETWEEN THE FOUNDRY LOVELAND METROPOLITAN DISTRICT AND  
THE LOVELAND URBAN RENEWAL AUTHORITY**

THIS COOPERATION AGREEMENT (this "Agreement"), dated as of January 15, 2019, is made and entered into between the **FOUNDRY LOVELAND METROPOLITAN DISTRICT** (the "District") and the **LOVELAND URBAN RENEWAL AUTHORITY** (the "Authority").

**RECITALS**

Any capitalized term which is used, but not defined, in these Recitals shall have the meaning given in the section entitled: DEFINITIONS.

**WHEREAS**, the District is a quasi-municipal corporation duly organized and existing as a metropolitan district pursuant to the Special District Act, Sections 32-1-101 *et seq.*, C.R.S.; and

**WHEREAS**, the Authority is a Colorado Urban Renewal Authority, with all the powers and authority granted to it pursuant to Title 31, Article 25, Part 1, Colorado Revised Statutes ("C.R.S.") (the "Act"); and

**WHEREAS**, pursuant to Article XIV of the Colorado Constitution, and Title 29, Article 1, Part 2, C.R.S., the District and the Authority are authorized to cooperate and contract with one another to provide any function, service or facility lawfully authorized to each governmental entity; and

**WHEREAS**, the City of Loveland, Colorado (the "City") is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its City Charter; and

**WHEREAS**, the City Council of the City has heretofore approved the City of Loveland, Urban Renewal Plan dated October 1, 2002, as amended from time to time (the "Plan") and the downtown urban renewal area described therein (the "Urban Renewal Area"); and

**WHEREAS**, pursuant to the District's Service Plan, the District is authorized to assist in the financing, construction, operation, and maintenance of public improvements for the redevelopment of the Project Area; and

**WHEREAS**, the Plan provides that the goals of the urban renewal effort are to serve primarily as a redevelopment catalyst for the downtown area, and that the actions of the Authority should be in accordance with the Plan goals of: eliminating and preventing conditions of blight which constitute an economic and social liability to the community; preventing the physical and economic deterioration of the Urban Renewal Area; attracting capital investment in the downtown and assisting in the retention and expansion of existing businesses, thus strengthening the City's economic base; creating a stable tax base; and facilitating the development of mixed-use projects in the downtown area; and

**WHEREAS**, pursuant to the Act, the Authority is authorized to undertake urban renewal projects and to make and execute any and all contracts and other instruments necessary to implement such urban renewal projects; and

**WHEREAS**, the City has entered into a Disposition and Redevelopment Agreement, dated December 13, 2016, as amended (collectively, as amended, the "DRA") with Foundry Loveland, LLC, a Colorado limited liability company (the "Developer") pursuant to which the Developer has agreed to acquire, develop, construct and install a mixed use project within the downtown area of the City and the Urban Renewal Area that is known as the Foundry Project (the "Foundry Project") as further set forth in the DRA; and

**WHEREAS**, the Authority has determined, and now hereby determines, that the acquisition, construction and installation of the Foundry Project in the Urban Renewal Area will serve the public purposes and goals of the Plan; and

**WHEREAS**, pursuant to the terms and provisions of the DRA, the City has agreed to pay or reimburse the Developer for the acquisition, construction and installation of certain Eligible Public Improvements (as defined in the DRA) located within the Foundry Project, subject to the terms and provisions thereof; and

**WHEREAS**, the District is expected to provide services and facilities to assist the Authority in carrying out the Urban Renewal Plan; and

**WHEREAS**, included in the Eligible Public Improvements being constructed by the Developer are a Parking Facility (the "Parking Facility") and a Public Plaza area (the "Public Plaza"); and

**WHEREAS**, as contemplated in the DRA and the Service Plan, the District will own, operate, and maintain the Public Plaza and the City will own, operate, and maintain the Parking Facility; and

**WHEREAS**, as further contemplated in the DRA and the Service Plan, the District will impose an operations mill levy to generate revenues to allow the District to participate in providing for the operations and maintenance thereof and to provide revenues for other budgeted general expenditures of the District; and

**WHEREAS**, the City and the District entered into that certain District Pledge Agreement, dated April 26, 2017, as amended, pursuant to which the District agreed to impose its District Debt Service Mill Levy in accordance with the provisions of the DRA, and (a) pledge certain revenues to the payment of debt service requirements on bonds issued by the City, or (b) at the written direction of the City, remit all or a portion of the pledged revenues to the City or its designee; and

**WHEREAS**, the Authority will receive certain Property Tax Increment Revenues from ad valorem property taxes levied on property within the Foundry Project; and

**WHEREAS**, in order to ensure the District has sufficient funds to participate in the costs required to operate and maintain the Public Plaza, to finance the cost of constructing, operating, and maintaining additional public improvements for the Foundry Project, and to pay for the general operating expenditures of the District, the District intends to impose a mill levy, in excess of the District Debt Service Mill Levy, to the extent permitted by the District's Service Plan (as more particularly defined herein, the "Additional District Mill Levy"); and

**WHEREAS**, to further the objectives of the Plan, the District has requested the Authority to reimburse to the District all Property Tax Increment Revenues collected as a result of the District's imposition of the Additional District Mill Levy; and

**WHEREAS**, the Authority desires to use the Property Tax Increment Revenues generated by the District's imposition of the Additional District Mill Levy to permit the District to participate in funding the costs required to operate and maintain the Public Plaza, to provide for the District's general administrative and overhead expenses, and to permit the District to repay debt incurred to acquire, construct, install, operate and maintain public improvements serving the Foundry Project; and

**WHEREAS**, this Agreement acknowledges, ratifies and confirms the understanding and agreement between the District and the Authority relating to the payment of a portion of the costs incurred by the District in connection with the acquisition, construction, installation, operation, and maintenance of the Foundry Project that is located within the Urban Renewal Area and that promotes the public purposes of the Plan.

**NOW, THEREFORE**, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Authority agree as follows:

1. **DEFINITIONS.** Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the DRA. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized in the text of this Agreement shall have the respective meanings set forth below:

"Act" means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes.

"Additional District Mill Levy" means, collectively, all ad valorem property tax levies (including general fund mill levies and debt service mill levies) imposed by the District, *excluding* the District Debt Service Mill Levy, it being acknowledged that such levies are subject to the limitations of the Service Plan.

"District Debt Service Mill Levy" means a property tax imposed by the District in an amount equal to twenty-five (25) mills levied by the District on the taxable property within the District in accordance with the District Pledge Agreement. The District Debt Service Mill Levy rate shall be adjusted as set forth in the Service Plan to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such District Debt Service Mill Levy is neither diminished nor enhanced as a result of such changes.

“District Pledge Agreement” means the District Pledge Agreement dated April 26, 2017, between the City and the District, as the same may be amended from time to time.

“Project Area” means the Foundry Project area that is part of the Urban Renewal Area as described and depicted in **Exhibit “A”**.

“Property Tax Base Amount” means the assessed value of property subject to ad valorem property taxes, located within the boundaries of the District and in the Project Area last certified prior to the effective date of approval of the Plan, as reasonably determined by the Authority based upon data provided by the Larimer County Assessor. The Property Tax Base Amount and increment value shall be calculated and adjusted from time to time by the Larimer County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado.

“Property Tax Increment Revenues” means the annual ad valorem property tax revenue received by the Authority from the Larimer County Treasurer in excess of the amount produced by the levy of the District against the Property Tax Base Amount in accordance with the Act and the regulations of the Property Tax Administrator of the State of Colorado, but not including any offsets collected by the Larimer County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Act, and credited to the Special Fund.

“Special Fund” means the special fund of the Authority established pursuant to the Act into which the tax increment revenues are deposited.

“Urban Renewal Area” means the urban renewal area described in the Plan as the Urban Renewal Area for Downtown Loveland, within which the tax increment provisions of Section 31-25-107(9) of the Act apply.

## 2. AGREEMENT TO REMIT CERTAIN TAXES.

(a) In order to further the development of the Foundry Project, the Authority hereby agrees and covenants that, except as hereinafter provided, the Authority shall remit all Property Tax Increment Revenues generated as a result of the imposition of the Additional District Mill Levy to the District. The Authority hereby pledges such Property Tax Increment Revenues generated as a result of the imposition of the Additional District Mill Levy to the District, subject to the terms and provisions hereof. Such revenues shall be remitted to the District as soon as practicable after receipt thereof by the Authority, but in any event within thirty (30) days of receipt thereof. The District acknowledges it shall not receive any Property Tax Increment Revenues received by the Authority that are generated as a result of the imposition of the District Debt Service Mill Levy.

(b) The Parties acknowledge that incremental property taxes that are remitted to the Authority for deposit in the Special Fund are based on the annual valuation of all properties located within the Urban Renewal Area, and not on a parcel by parcel basis. Therefore, property tax increment revenues are calculated and remitted to the Authority in the aggregate for the entire Urban Renewal Area and the Property Tax Administrator will not calculate or determine those property tax increment revenues that are attributable to the Project Area. The Authority

agrees that it will establish a reasonable methodology for determining the amount of property tax increment revenues on deposit in the Special Fund that are allocable to the Project Area. Such calculation of the Property Tax Increment Revenues attributable to the Project Area by the Authority shall be binding on the parties, and any third-party beneficiaries hereunder, absent manifest error.

(c) The Authority hereby elects to apply all the provisions of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S. to this Agreement. In accordance with Section 11-57-208(2) C.R.S. the Property Tax Increment Revenues pledged pursuant to this Agreement shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities, except as may otherwise be provided herein. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such persons have notice of such liens.

### 3. GENERAL PROVISIONS.

(a) No Third Party Beneficiaries. The Authority shall not be obligated or liable under the terms of this Agreement to any person or entity not a party hereto.

(b) Modifications. No modification or change of any provision in this Agreement shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by both parties. Memoranda of understanding and correspondence shall not be construed as amendments to this Agreement.

(c) Entire Agreement. This Agreement shall represent the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior negotiations, representations or agreements, either written or oral, between the parties relating to the subject matter of this Agreement and shall be independent of and have no effect upon any other contracts.

(d) Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

(e) Assignment. This Agreement shall not be assigned, in whole or in part, by either party without the written consent of the other.

(f) Waiver. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach or of such provision. Failure of either party to enforce, at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof.

[Remainder of this Page Intentionally Left Blank]

IN WITNESS HEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the date above.

FOUNDRY    LOVELAND    METROPOLITAN  
DISTRICT

\_\_\_\_\_  
Shannon Stearman, President

(SEAL)

ATTESTED:

\_\_\_\_\_  
Ashley Davidson, Secretary

LOVELAND URBAN RENEWAL AUTHORITY

(SEAL)

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

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Board Secretary

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

Exhibit A

(Description of Project Area)

