

**RESOLUTION OF THE BOARD OF DIRECTORS OF
FOUNDRY LOVELAND METROPOLITAN DISTRICT**

A RESOLUTION APPROVING AN IMPROVEMENT ACQUISITION AND REIMBURSEMENT AGREEMENT WITH THE FOUNDRY LOVELAND, LLC, AND IN CONNECTION THEREWITH, AUTHORIZING THE ISSUANCE OF A SUBORDINATE PROMISSORY NOTE TO THE FOUNDRY LOVELAND LLC TO EVIDENCE THE DISTRICT'S REIMBURSEMENT OBLIGATION

WHEREAS, on September 20, 2016, the City Council of the City of Loveland, Colorado ("City Council") approved the "Service Plan for Foundry Loveland Metropolitan District" (the "Service Plan") for the District for the purpose of providing certain parameters for the District to assist, upon their organization, in the financing, construction, operations and maintenance of certain public improvements for a new development known as The Foundry in the City of Loveland, Colorado (the "City"); and

WHEREAS, capitalized terms used herein shall have the meaning given to them in the Service Plan; and

WHEREAS, pursuant to the Service Plan, the District is only authorized to issue debt in the form of an intergovernmental agreement with the City for certain public improvements described therein; and

WHEREAS, subsequent to the approval of the Service Plan, the City and The Foundry Loveland, LLC ("Foundry") amended the DRA, which provides for Foundry to construct additional public improvements ("Improvements") to serve The Foundry development; and

WHEREAS, Foundry desires the District to purchase the Improvements from Foundry or pay Foundry for the costs associated with the construction of Improvements dedicated to the City or other third party; and

WHEREAS, the District is willing to purchase the Improvements from Foundry and/or pay costs associated with the construction of Improvements dedicated to the City or other third party; and

WHEREAS, due to limitations set forth in the Service Plan for the District to incur debt and construct and acquire public improvements, the District has submitted a First Amendment to Service Plan for Foundry Loveland Metropolitan District ("First Amendment, together with Service Plan, the "Amended Service Plan") to the City Council for approval, which, upon approval, will enable the District to design, acquire, install, construct, finance, operate, and/or maintain additional public improvements and to incur additional debt to finance the costs of the Improvements; and

WHEREAS, pending the approval of the First Amendment by City Council, the District has agreed to acquire and/or purchase such Improvements constructed by Foundry for the

District, or on behalf of the District, and to pay all reasonable costs related thereto and all costs related to the Districts' organization, subject to the terms and conditions set forth herein; and

WHEREAS, Foundry has funded the District's costs for organization in the amount of Fifty-Five Thousand One Hundred Forty-Seven Dollars and Eight Cents (\$55,147.08), and pursuant to an Advance and Reimbursement Agreement entered into between the District and Foundry, the District issued a subordinate promissory note to Foundry, dated June 1, 2017, with a maturity date of December 31, 2017, to evidence the District's reimbursement obligation to Foundry for the District's organization costs ("2017 Note"); and

WHEREAS, the District lacked sufficient funds to pay Foundry the amounts due and owing on the 2017 Note at the date of maturity and such amounts thereunder remain due and owing to Foundry; and

WHEREAS, in anticipation of City Council approval of the First Amendment, the District and Foundry have negotiated and desire to enter into an "Improvement Acquisition and Reimbursement Agreement," as attached hereto as Exhibit A (the "Agreement"), for the purpose of consolidating all understandings and commitments between the parties relating to the funding and repayment of costs associated with the District's organization and with the construction, acquisition and dedication of Improvements and the repayment of costs related thereto; and

WHEREAS, to evidence the District's repayment obligation to Foundry for costs associated with the District's organization and with Improvements constructed and acquired by the District or to be dedicated pursuant to the Agreement, the District desires to issue a Subordinate Note to Foundry in an amount not to exceed Eighteen Million Dollars (\$18,000,000); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOUNDRY LOVELAND METROPOLITAN DISTRICT AS FOLLOWS:

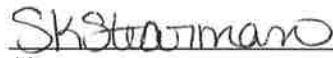
1. The Board hereby approves the "Improvement Acquisition and Reimbursement Agreement," attached hereto as Exhibit A, subject to City Council approval of the First Amendment to Service Plan for Foundry Loveland Metropolitan District. The date of approval of said First Amendment shall be the Effective Date of the Agreement and inserted into the Agreement. The Board authorizes legal counsel to revise the Agreement, as may be necessary to comply with City Council's approval of the First Amendment.

2. Upon the Effective Date of the Agreement, the Board hereby approves the refunding of the 2017 Note and authorizes the issuance of a Subordinate Note to Foundry, as attached hereto as Exhibit B, in an amount not to exceed Eighteen Million Dollars (\$18,000,000) with a date of maturity set forty (40) years after date of issuance or such other date to comply with the First Amendment approved by City Council.

3. This Resolution shall take effect on the date and at the time of its adoption.

ADOPTED AND APPROVED THIS 29th DAY OF NOVEMBER, 2018.

**FOUNDRY LOVELAND METROPOLITAN
DISTRICT**



Shannon Stearman, President

ATTEST:



By: ASHLEY DAVIDSON

Its: SECRETARY

EXHIBIT A
(To Resolution)

IMPROVEMENT ACQUISITION AND REIMBURSEMENT AGREEMENT

IMPROVEMENT ACQUISITION AND REIMBURSEMENT AGREEMENT

THIS IMPROVEMENT ACQUISITION AND REIMBURSEMENT AGREEMENT is made and entered into as of the ___ day of _____, 2019 (“Effective Date”), by and between FOUNDRY LOVELAND METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and THE FOUNDRY LOVELAND, LLC, a Colorado limited liability company (“Foundry”), collectively, the “Parties.”

RECITALS

WHEREAS, on September 20, 2016, the City Council of the City of Loveland, Colorado (“City Council”) approved the “Service Plan for Foundry Loveland Metropolitan District” (the “Service Plan”) for the District for the purpose of providing certain parameters for the District to assist, upon their organization, in the financing, construction, operations and maintenance of certain public improvements for a new development known as The Foundry in the City of Loveland, Colorado (the “City”); and

WHEREAS, the District was formed pursuant to Section 32-1-101 *et seq.*, C.R.S., as amended, by order of the District Court for Larimer County, Colorado, and after approval of the eligible electors of the District at an organizational election held on November 8, 2016; and

WHEREAS, at the organizational election of the District, a majority of eligible electors in the District approved the District’s issuance of indebtedness and the imposition of ad valorem taxes by the District for the purpose of repaying such debt; and

WHEREAS, pursuant to the Service Plan, the District is only authorized to issue debt in the form of an intergovernmental agreement with the City for certain public improvements described therein; and

WHEREAS, due to limitations set forth in the Service Plan for the District to incur debt and construct and acquire public improvements, the District submitted a First Amendment to Service Plan for Foundry Loveland Metropolitan District (“First Amendment, together with Service Plan, the “Amended Service Plan”) to the City Council which, upon approval, will enable the District to design, acquire, install, construct, finance, operate, and/or maintain additional public improvements (the “Improvements”) and to incur additional debt to finance the costs of the Improvements; and

WHEREAS, on _____, 2019, the City Council approved the First Amendment, authorizing the District to design, acquire, install, construct, finance, operate, and/or maintain the Improvements and to incur additional debt to finance the costs of the Improvements; and

WHEREAS, pursuant to the Amended Service Plan and the District’s voter authorization for the issuance of debt, the maximum amount of debt that may be incurred by the District is Eighteen Million Dollars (\$18,000,000); and

WHEREAS, in furtherance of its Amended Service Plan, the District has incurred costs associated with the Districts' organization; and

WHEREAS, Foundry has funded the District's costs for organization in the amount of Fifty-Five Thousand One Hundred Forty-Seven Dollars and Eight Cents (\$55,147.08), and pursuant to an Advance and Reimbursement Agreement entered into between the District and Foundry, the District issued a subordinate promissory note to Foundry, dated June 1, 2017, with a maturity date of December 31, 2017, to evidence the District's reimbursement obligation to Foundry for the District's organization costs ("2017 Note"); and

WHEREAS, the District lacked sufficient funds to pay Foundry the amounts due and owing on the 2017 Note at the date of maturity and such amounts thereunder remain due and owing to Foundry; and

WHEREAS, Foundry is willing to construct or cause to be constructed certain Improvements contemplated in the Amended Service Plan for or on behalf of the District, provided the District agrees to acquire and purchase the Improvements from Foundry and to reimburse Foundry for reasonable costs of the Improvements dedicated to third parties; and

WHEREAS, the District agrees to acquire and purchase such Improvements constructed by Foundry or caused to be constructed by Foundry, and to reimburse Foundry for reasonable costs of the Improvements dedicated to third parties, to be located within and without the District's boundaries; and

WHEREAS, the District and Foundry have negotiated and desire to enter into this Improvement Acquisition and Reimbursement Agreement (the "Agreement") for the purpose of consolidating all understandings and commitments between the parties relating to the funding and repayment of costs associated with the District's organization and with the construction, acquisition and dedication of Improvements and the repayment of costs related thereto; and

WHEREAS, to evidence the District's repayment obligation to Foundry for costs associated with the District's organization and with Improvements constructed and acquired or dedicated hereunder, the District desires to issue a Subordinate Note to Foundry in an amount not to exceed Eighteen Million Dollars (\$18,000,000); and

WHEREAS, the District's Board of Directors and Foundry's Board of Managers have authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement; and

WHEREAS, those employees and/or affiliates of Foundry who serve on the District's Board of Directors have each disclosed potential conflicts of interest in connection with this Agreement, as required by law.

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, Foundry and the District hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Construction of Improvements. Foundry hereby agrees to design and construct, or cause to be designed and constructed, any and all Improvements described in the District's Amended Service Plan subject to the terms and conditions set forth herein. Foundry agrees to design, construct, and complete the Improvements in substantial conformance with the design standards and specifications as established and in use by the District, the City of Loveland, Colorado (the "City") and other appropriate jurisdictions.

2. Improvement Acquisition Procedures. Upon Foundry's completion of the Improvements to be either acquired by the District or dedicated to third parties on the District's behalf as further provided in Paragraph 5.B. hereof, Foundry shall cause a "Purchase Application" to be submitted to the District consisting of the following, reasonably satisfactory to the District, related to such Improvements:

A. A list of Improvements to be acquired and/or dedicated to the City and costs related thereto, which costs shall represent the Purchase Price (as defined in Paragraph 4 hereof). The president or principal of Foundry shall certify, under penalty of perjury, that the list of Improvements to be acquired and/or dedicated and the costs related thereto are true, correct, and accurate to the best of the president's or principal's knowledge, information and belief;

B. A professional engineer engaged by the District or, if consented to by the District, engaged by Foundry, shall review the costs of Improvements set forth in the Purchase Application, inspect the Improvements and certify to the District, by means of an Engineer's Certification in substantially the form attached hereto as Exhibit A, that such costs are reasonable and that the Improvements are fit for their intended purpose. The District's accountant shall review the summation of costs and concur with the calculations set forth in the Engineer's Certification; and

C. Letter(s) of Initial Acceptance with summary of the Improvements (and costs) dedicated to City or other third parties;

D. Unconditional Lien Waivers affirming that Foundry has paid in full all laborers, subcontractors, materialmen and suppliers for all work, labor, services, materials and equipment for the construction of the Improvements; and

E. Such additional information as the District may reasonably require.

3. District Acceptance of Improvements. Upon approval by the District of the Purchase Application, the District shall deliver a letter of acceptance which will provide, at a minimum: (i) the District's acknowledgement that Foundry has completed the Improvements in accordance with the terms herein; (ii) if applicable, the District's acknowledgement that Foundry will dedicate or has dedicated the Improvements to the City or a third party; (iii) that the District accepts the Improvements in accordance with the terms of this Agreement; (iv) that Foundry has complied with all terms and conditions of this Agreement; and (v) that the District will provide for the payment of the Purchase Price as otherwise provided therein ("Acceptance Letter").

4. Purchase Price. The “Purchase Price” for the Improvements shall be equal to the District’s Costs with respect to such Improvements, and shall be in accordance with the District’s Amended Service Plan and all other applicable laws. The “District’s Costs” for such Improvements shall equal the amount so certified in the Engineer’s Certification (as described in Paragraph 2.B. hereof), and approved by the District’s Board as reasonable and appropriate, but shall not exceed one hundred percent (100%) of the actual construction costs (which shall also include design engineering and other items, but which shall not include any interest or other compensation to Foundry). Allowance shall be made for inclusion in the Purchase Price of related soft costs, but shall exclude Foundry’s overhead and/or profit. The District is exempt from Colorado sales and use taxes. Foundry shall use reasonable efforts to assure that the Purchase Price does not include sales and use taxes. Notwithstanding the foregoing, in no event may the Purchase Price for the Improvements exceed Eighteen Million Dollars (\$18,000,000). Upon the Effective Date of this Agreement, the District shall evidence its obligation to repay Foundry for the District’s organization costs through the issuance of a subordinate promissory note (“Subordinate Note”) as provided in Paragraph 6 herein. Thereafter, if the District lacks sufficient funds to purchase completed or dedicated Improvements, the District shall evidence the District’s obligation to pay for such Improvements acquired or dedicated by notating the District’s Costs on the Subordinate Note upon issuance of the Acceptance Letter to Foundry.

5. Conveyance of Improvements; Dedication.

A. At such time as the District has provided its Acceptance Letter and supplied the Purchase Price or Subordinate Note as provided in Paragraph 4 herein, Foundry shall convey the Improvements and related work to the District by means of a “Bill of Sale” in substantially the form set forth in Exhibit B, or shall convey Improvements at the request of the District to the City or other third parties for the benefit of the District as provided in Paragraph 5.B. herein. Foundry shall assign to the District any warranties associated with the Improvements.

B. Foundry and the District agree that certain Improvements constructed by Foundry shall be dedicated to the City or other third parties. Foundry and the District shall coordinate their efforts with respect to the anticipated dedication or conveyance of such Improvements so the District is a party to such conveyance or dedication in a manner reasonably satisfactory to the District. Foundry shall assign or cause to be assigned to the City or any other third party any warranty associated with any Improvement dedicated to and accepted by the City or other third party. Foundry shall provide Letter(s) of Final Acceptance from the City or other third party to the District upon final acceptance of the Improvements by the applicable entity.

6. Issuance of the Subordinate Note; Interest.

A. Upon the Effective Date of this Agreement, the District shall promptly execute and deliver to Foundry a Subordinate Note, similar in form as attached hereto as **Exhibit C**, in an amount not to exceed Eighteen Million Dollars. The Subordinate Note shall have a beginning balance of the principal amount and interest outstanding under the 2017 Note for the organizational costs funded by Foundry and previously accepted by the District.

B. Upon acceptance of any Improvements constructed or dedicated by Foundry as provided herein, the District shall complete the appropriate information in Schedule A of the Subordinate Note, showing the date of acceptance, the purchase price of the Improvements acquired or dedicated, and the total accumulated amount due to Foundry.

B. Any Subordinate Note issued hereunder shall bear interest at the rate of Two Percent (2%) plus the Federal Reserve Bank Prime Rate, Simple Interest from the date noted on Schedule A to the earlier of the maturity date or date of redemption thereof. Said interest shall be payable upon maturity of any Subordinate Note. If a Subordinate Note, or any portion thereof, is redeemed prior to its maturity date, then the interest that accrued on the principal amount so redeemed, must be paid upon redemption; for purposes of the foregoing, interest shall be deemed to have accrued up to and including the date of redemption. Following any repayment in whole or in part of a Subordinate Note, the District may continue to acquire Improvements or pay for costs associated with dedicated Improvements, and note such purchases and costs on the Subordinate Note in accordance with the provisions hereof, provided that the total of all purchases and costs for dedicated Improvements, regardless of whether prepaid, shall not exceed \$18,000,000.

C. The terms of this Agreement may be used to construe the intent of the District and Foundry in connection with the issuance of any Subordinate Note, and shall be read as nearly as possible to make the provisions of any Subordinate Note and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Subordinate Note issued hereunder, the terms of such Subordinate Note shall prevail.

D. If, for any reason, a Subordinate Note is determined to be invalid or unenforceable (except in the case of fraud by Foundry in connection therewith), the District shall issue a new promissory note to Foundry that is legally enforceable. Said new promissory note must evidence the District's obligation to pay the Purchase Price for all Improvements accepted and purchased under this Agreement with interest.

7. Terms of Repayment; Source of Revenues.

A. All amounts reflected on the Subordinate Note shall be repaid in accordance with the terms of the Subordinate Note and with the terms provided herein. Any Subordinate Note issued shall have a maturity date not later than 40 years from the date the Subordinate Note is issued by the District. The District's agreement to issue a Subordinate Note pursuant to the terms hereunder constitutes a multiple fiscal year obligation under the State of Colorado Constitution, is authorized pursuant to a vote of the eligible electors of the District, and shall not be subject to annual appropriation.

B. The District shall repay the Subordinate Note from the proceeds of one or more series of general or special obligation bonds, revenue bonds or other multiple fiscal year obligations of the District including, but not limited to, loans from financial institutions (collectively, the "Bond" or "Bonds") issued by the District. The issuance of any such Bonds

shall be in the discretion of the District, and issued at such time or times, and contain such terms, as may be determined by the District. The foregoing shall not constitute a lien or encumbrance upon any Bond proceeds now or hereafter held by the District. In the event the Bond proceeds are not available to fund repayment of any amounts owed hereunder, as evidenced by any Subordinate Note, the District may make repayment from any legally available revenues of the District, including but not limited to fees, rates, tolls, charges, revenues resulting from the imposition of ad valorem taxes; *provided, however, that any such repayment shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds and any refundings thereof; and the provisions of any Bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein.* The Subordinate Note must be paid in full by the District prior to payment of any other obligation thereof which may have a claim on any District revenues which are otherwise available for payment of the Subordinate Note, other than current District operation and maintenance expenses and as otherwise provided in this Paragraph 6.B.

C. Repayment of some or all of the funds advanced to the District by Foundry pursuant to this Agreement, including the repayment of any Subordinate Note issued hereunder, shall be contingent upon the availability of bond proceeds or other legally available revenues of the District. Failure by the District to make a payment of principal or interest on the Subordinate Note shall not cause or permit acceleration thereof; rather, the Subordinate Note shall continue to bear interest at the rate and in the manner specified therein and herein, without interest on accrued, unpaid interest. Failure by the District to repay Foundry as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by Foundry, including mechanic's liens, arising out of the District's nonperformance of its payment obligation.

D. Any Subordinate Note may be prepaid in whole at any time without redemption premium or other penalty, but with interest accrued to the date of prepayments on the principal amount prepaid. Any and all prepayments shall first be applied to principal and then to accrued, unpaid interest.

E. Any repayment made to Foundry by the District shall be notated on Schedule "A" to such Subordinate Note.

8. Tax Covenant. In the event the District is advised by nationally recognized bond counsel that payments of all or any portion of interest due on any Subordinate Note issued hereunder may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, in accordance with written instructions of nationally recognized bond counsel. Foundry acknowledges that no representations or warranties whatsoever have been made by the

District or its Board of Directors as to the treatment for federal or state income tax purposes of any interest payable hereunder.

9. Obligations Irrevocable. The obligations created by this Agreement are absolute, irrevocable, and unconditional, unless a contrary notation is specifically made herein, and may only be modified pursuant to Paragraph 14 herein.

10. Termination. Foundry's obligations to construct the Improvements as set forth in this Agreement shall continue until such time as mutually agreed to by the Parties in writing. The District's obligations hereunder shall terminate at the earlier of the repayment in full of the Subordinate Note or upon maturity of the Subordinate Note.

11. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

12. Indemnification. Foundry hereby agrees to indemnify and save harmless the District from all claims and/or causes of action, including mechanic's liens, arising out of Foundry's performance of any act or the nonperformance of any obligation with respect to the Improvements constructed, and in that regard agrees to pay any and all costs incurred by the District as a result thereof, including settlement amounts, judgments and reasonable attorneys' fees.

13. Notices and Place for Payments. Any notices, demands, or other communications required or permitted to be given by any provision of this Agreement shall be given in writing and shall be delivered in person, by certified mail, postage prepaid, return receipt requested, by a commercial overnight courier that guarantees next day delivery and provides a receipt, or by electronic mail communications ("E-Mail"), and such notices shall be addressed as follows:

If to the District: Foundry Loveland Metropolitan District
c/o Pinnacle Consulting Group, Inc.
550 W. Eisenhower Blvd.
Loveland, CO 80537
Attn: Peggy Dowswell
Email: peggyd@pinnacleconsultinggroupinc.com

With a copy to: Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Suite 225
Denver, Colorado 80237
Attn: Alan D. Pogue
Email: APogue@ISP-law.com

If to Foundry: The Foundry Loveland, LLC
c/o Brinkman Partners
3528 Precision Drive, Suite 100
Fort Collins, CO 80528
Email: shannon.stearman@brinkmancolorado.com

or to such other address as either party may from time to time specify in writing to the other party. Notice shall be considered delivered upon delivery by certified mail, overnight courier, E-Mail or upon hand delivery. When using E-Mail to provide notice, the receiving party must respond via "reply" acknowledging receipt of the E-Mail notification. If the sending party fails to receive acknowledgement of such receipt, an alternative form of notification must be used.

14. Amendments. This Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and Foundry.

15. Assignment. This Agreement, in whole or in part, may not be assigned. Any attempted assignment in violation of this paragraph shall be immediately void and of no effect.

16. Applicable Laws. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado.

17. Severability. If any clause or provision of this Agreement is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Agreement as a whole, but shall be severed herefrom, leaving the remaining Agreement intact and enforceable.

18. Authority. By execution hereof, the District and Foundry represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

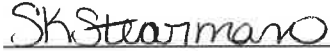
19. Legal Existence. The District will maintain its legal identity and existence so long as the payment for any Improvements purchased hereunder remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of the District hereunder without materially adversely affecting Foundry's privileges and rights under this Agreement.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

21. Entire Agreement. This Agreement, and any Subordinate Note issued hereunder, constitute and represent the entire, integrated agreement between the District and Foundry with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date and year first above written.

IN WITNESS WHEREOF, the District and Foundry have executed this Agreement, effective as of the date and year first above written.

FOUNDRY LOVELAND METROPOLITAN DISTRICT,
a quasi-municipal corporation and political subdivision of
the State of Colorado


By: Shannon Stearman
Its: President

ATTEST:


By: ASHLEY DAVIDSON
Its: SECRETARY

THE FOUNDRY LOVELAND, LLC,
a Colorado limited liability company,

By: GP FOUNDRY, LLC,
a Colorado limited liability company, Manager

By: BRINKMAN ENTITY MANAGEMENT, LLC
a Colorado limited liability company, Administrative Manager


By: 
Kevin Brinkman, Manager

EXHIBIT A
To Engineer's Certification
COSTS OF IMPROVEMENTS

EXHIBIT B

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that The Foundry Loveland, LLC, hereinafter referred to as “Grantor”, for good and valuable consideration, the receipt of which is hereby acknowledged, paid by Foundry Loveland Metropolitan District, has bargained and sold, and by these presents, does grant and convey unto Foundry Loveland Metropolitan District, its successors and assigns, all of its right, title and interest in the improvements constructed pursuant to the listing of invoices on Exhibit A, attached hereto and incorporated herein (the “Improvements”) and all things of value, including all work product, both tangible and intangible, including legal, accounting, engineering, and management costs related thereto, accruing from the costs associated with the provision of the Improvements.

TO HAVE AND TO HOLD the same unto Foundry Loveland Metropolitan District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said property, improvements, services and facilities made unto Foundry Loveland Metropolitan District, and its successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property, improvement, services and facilities to Foundry Loveland Metropolitan District, and its successors or assigns, is made free from any claim or demand whatever.

IN WITNESS WHEREOF, Grantor, by and through its authorized representatives, hereby executes this Bill of Sale and sets its seal as of this ____ day of _____, 20__.

THE FOUNDRY LOVELAND, LLC,
a Colorado limited liability company,

By: GP FOUNDRY, LLC,
a Colorado limited liability company, Manager

By: BRINKMAN ENTITY MANAGEMENT, LLC
a Colorado limited liability company, Administrative Manager

By: _____
Kevin Brinkman, Manager

EXHIBIT A
To Bill of Sale
IMPROVEMENTS

EXHIBIT C

FORM OF SUBORDINATE PROMISSORY NOTE

FOUNDRY LOVELAND METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up To Eighteen Million Dollars (\$18,000,000)

INTEREST RATE: Two Percent (2%) plus the Federal Reserve Bank Prime Rate, Simple Interest

DATED: _____, 2019

REGISTERED OWNER: The Foundry Loveland, LLC (“Foundry”)

MATURITY DATE: _____, 2059

Foundry Loveland Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown hereunder as set forth in Schedule “A” attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest or principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued but unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District which may have a claim on any revenues thereof that would otherwise be available for the payment of this Note, other than current operation and maintenance expenses of the District; and provided, however, that any such repayment of this Note shall also be subject to the terms and conditions of, and such repayment obligation shall be subordinate to, the issuance of any general or special obligation bonds, revenue bonds or other multiple fiscal year obligations including, but not limited to, loans from financial institutions or intergovernmental agreements (collectively, the “Bond” or “Bonds”) issued or entered into by the District to fund capital improvements now or hereafter and any

refundings thereof, and the provisions of any Bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto.

This Note is executed pursuant to that certain Improvement Acquisition and Reimbursement Agreement between the District and Foundry, dated _____, the terms of which are hereby incorporated by reference, and has been executed and delivered to pay for certain indebtedness incurred by the District or on its behalf as set forth therein. This Note represents a refunding of an existing promissory note from the District to Foundry, dated June 1, 2017 ("2017 Note"). The District is issuing this Note with a beginning balance equal to the outstanding principal of the 2017 Note and any unpaid, accrued interest thereon

Pursuant to the Improvement Acquisition and Reimbursement Agreement, the District is obligated to repay both the principal amount of this Note and any and all interest accrued thereon, from the proceeds of Bonds issued by the District. In the event the Bond proceeds are not available to fund repayment of any amounts owed hereunder, as evidenced by any Subordinate Note, the District may make repayment from any legally available revenues of the District, including but not limited to fees, rates, tolls, charges, revenues resulting from the imposition of ad valorem taxes; provided, however, that any such repayment shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds and any refundings thereof; and the provisions of any Bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein.

Failure by the District to repay Foundry as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by Foundry, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

The District and Foundry agree that, upon each purchase made or acceptance of costs for dedicated improvements pursuant to the Improvement Acquisition and Reimbursement Agreement, the District shall complete the appropriate information in Schedule "A" of this Note as contemplated therein. Any payments on the Note shall also be evidenced on Schedule "A" hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

This Note is issued pursuant to the Supplemental Public Securities Act, Section 11-57-201, *et seq.*, C.R.S., as amended.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE IMPROVEMENT ACQUISITION AND REIMBURSEMENT AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR LARIMER COUNTY, COLORADO. FOUNDRY SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR LARIMER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY.

BY ITS ACCEPTANCE HEREOF, FOUNDRY ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If Foundry enforces this Note upon default, the District shall pay or reimburse Foundry for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by Foundry in connection therewith), the District shall issue a new promissory note to Foundry that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

This Note shall not be offered, sold, or transferred to third parties.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District and its respective permitted successors subject to the terms hereof. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

(Remainder of Page Left Intentionally Blank)

IN WITNESS WHEREOF, the District has caused this Note to be executed in its name and on its behalf by its President and by attestation via the signature of its Secretary or other officer of the District, with an imprint of its seal affixed hereon.

FOUNDRY LOVELAND METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

(S E A L)

EXHIBIT PURPOSES ONLY

President

ATTEST:

EXHIBIT PURPOSES ONLY

Secretary

SCHEDULE A

EXHIBIT B
(To Resolution)

SUBORDINATE PROMISSORY NOTE

FOUNDRY LOVELAND METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up To Eighteen Million Dollars (\$18,000,000)

INTEREST RATE: Two Percent (2%) plus the Federal Reserve Bank Prime Rate, Simple Interest

DATED: _____, 2019

REGISTERED OWNER: The Foundry Loveland, LLC (“Foundry”)

MATURITY DATE: _____, 2059

Foundry Loveland Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown hereunder as set forth in Schedule “A” attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest or principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued but unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District which may have a claim on any revenues thereof that would otherwise be available for the payment of this Note, other than current operation and maintenance expenses of the District; and provided, however, that any such repayment of this Note shall also be subject to the terms and conditions of, and such repayment obligation shall be subordinate to, the issuance of any general or special obligation bonds, revenue bonds or other multiple fiscal year obligations including, but not limited to, loans from financial institutions or intergovernmental agreements (collectively, the “Bond” or “Bonds”) issued or entered into by the District to fund capital improvements now or hereafter and any refundings thereof, and the provisions of any Bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto.

This Note is executed pursuant to that certain Improvement Acquisition and Reimbursement Agreement between the District and Foundry, dated _____, the terms of which are hereby incorporated by reference, and has been executed and delivered to pay for certain indebtedness incurred by the District or on its behalf as set forth therein. This Note represents a refunding of an existing promissory note from the District to Foundry, dated June 1, 2017 ("2017 Note"). The District is issuing this Note with a beginning balance equal to the outstanding principal of the 2017 Note and any unpaid, accrued interest thereon

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Failure by the District to repay Foundry as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by Foundry, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

The District and Foundry agree that, upon each purchase made or acceptance of costs for dedicated improvements pursuant to the Improvement Acquisition and Reimbursement Agreement, the District shall complete the appropriate information in Schedule "A" of this Note as contemplated therein. Any payments on the Note shall also be evidenced on Schedule "A" hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

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BY ITS ACCEPTANCE HEREOF, FOUNDRY ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If Foundry enforces this Note upon default, the District shall pay or reimburse Foundry for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

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It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

(Remainder of Page Left Intentionally Blank)

IN WITNESS WHEREOF, the District has caused this Note to be executed in its name and on its behalf by its President and by attestation via the signature of its Secretary or other officer of the District, with an imprint of its seal affixed hereon.

FOUNDRY LOVELAND METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

(S E A L)



Shannon Stearman, President

ATTEST:



ASHLEY DAVIDSON, Secretary

SCHEDULE A