

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

A RESOLUTION APPROVING THE ISSUANCE OF A SUBORDINATE PROMISSORY NOTE TO LOVELAND MIDTOWN DEVELOPMENT, INC. TO REFUND AN EXISTING SUBORDINATE PROMISSORY NOTE EVIDENCING THE DISTRICT'S REPAYMENT OBLIGATION FOR FUNDS ADVANCED TO THE DISTRICT FOR OPERATION AND MAINTENANCE EXPENDITURES

WHEREAS, Loveland Midtown Metropolitan District (the "District") and Loveland Midtown Development, Inc. ("LMD"), entered into that certain Funding and Reimbursement Agreement, dated February 1, 2006, pursuant to which LMD agreed to expend funds on the District's behalf or advance funds to the District to pay for the District's operation and maintenance expenditures, provided that the District agreed to repay such amounts advanced in accordance with the terms therein (the "Agreement"); and

WHEREAS, in accordance with Paragraph 6.A. of the Agreement, the District issued a Subordinate Note to LMD in the principal amount of Eighty-One Thousand Three Hundred Thirty-Five Dollars and Seventeen Cents (\$81,335.17), dated January 1, 2016, with a maturity date of December 31, 2016, to evidence the District's repayment obligation then existing with respect to funds expended on behalf of the District and advanced to the District by LMD for the District's operation and maintenance expenses ("2016 Note"); and

WHEREAS, pursuant to Paragraph 6 of the Agreement, if the District lacks sufficient funds to pay such Subordinate Note in full on the maturity date, the District shall issue a new Subordinate Note to LMD to refund the existing Subordinate Note, which new Subordinate Note shall be in an amount equal to the outstanding principal of the Subordinate Note to be refunded and include any unpaid, accrued interest thereon, and shall have a maturity date of December 31, of the next calendar year; and

WHEREAS, the Board has determined that it will lack sufficient funds to pay the 2016 Note in full on the maturity date and, therefore, desires to refund the 2015 Note and issue a new Subordinate Note to LMD as attached hereto as Exhibit A, with an effective date of January 1, 2017, and a maturity date of December 31, 2017.

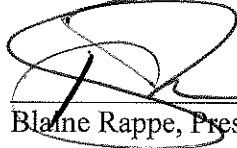
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LOVELAND MIDTOWN METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board hereby approves and authorizes the issuance of a new Subordinate Note to Loveland Midtown Development, Inc., as attached hereto as Exhibit A ("2017 Note"), to be issued on January 1, 2017 with a maturity date of December 31, 2017, for purposes of refunding the 2016 Note. The 2017 Note shall be issued in an amount equal to the outstanding principal of the 2016 Note as of December 31, 2016, and include all unpaid accrued interest thereon. The Board further authorizes the District's President and Secretary to execute the 2017 Note.

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

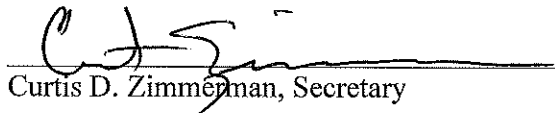
ADOPTED AND APPROVED THIS 20th DAY OF OCTOBER, 2016.

**LOVELAND MIDTOWN METROPOLITAN
DISTRICT**



Blaine Rappe, President

ATTEST:



Curtis D. Zimmerman, Secretary

EXHIBIT A
(To Resolution for 2016 O&M Note)

SUBORDINATE PROMISSORY NOTE