

**TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 77, SERIES 2023**

**A RESOLUTION APPROVING FEE-IN-LIEU AGREEMENT FOR THE TIMNATH
POLICE STATION**

WHEREAS, the Town Council of the Town of Timnath ("Town") pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is the Fee-In-Lieu Agreement between the Town of Timnath and the Trailside Metropolitan Districts; and

WHEREAS, the Town has previously entered into an Agreement with the developer of the Fewell Property (current known as the Trailside Development) for the purchase of 15 acres of commercial development, and that agreement contemplates this agreement if the property is developed by a tax exempt entity; and

WHEREAS, the Town Council is familiar with the Agreement and finds it to be in the best interest of the Town, its residents, and the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO AS FOLLOW:

Section 1. Approval

The Agreement is hereby approved in substantially the form as attached hereto, subject to technical or otherwise non-substantive modifications, as deemed necessary by the Town Manager in consultation with the Town Planner, Engineer, Legal Counsel, and other applicable staff or consultants.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON DECEMBER 12TH, 2023.

TOWN OF TIMNATH, COLORADO



Mark J. Soukup, Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Milissa Peters", is written over a horizontal line.

Milissa Peters, CMC

Town Clerk

EXHIBIT A
AGREEMENT

**FEE-IN-LIEU AGREEMENT
(Town of Timnath Police Station)**

This FEE-IN-LIEU AGREEMENT (Town of Timnath Police Station) (the “Agreement”) is made and entered into to be effective as of the 12th day of December, 2023, by and between the TOWN OF TIMNATH, a home-rule municipal corporation of the State of Colorado (the “Town”), and TRAILSIDE METROPOLITAN DISTRICT NO. 1, quasi-municipal corporation and political subdivision of the State of Colorado (the “District No. 1”), TRAILSIDE METROPOLITAN DISTRICT NO. 5, quasi-municipal corporation and political subdivision of the State of Colorado (the “District No. 5”) and TRAILSIDE DEVELOPMENT, LLC, a Colorado limited liability company (“Developer”). The Town and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, District No. 1 and District No. 5 were organized in conjunction with the Trailside Metropolitan District Nos. 2-4 (collectively, the “Metro Districts”) to provide those services and to exercise powers as are more specifically set forth in the Metro Districts’ Service Plan approved by the Town on March 27, 2018 and as amended on August 14, 2018 (the “Service Plan”); and

WHEREAS, the Town and the District’s Developer, Trailside Development, LLC (“Developer”) (as assignee for Hartford Investments, LLC (the “Prior Owner”)) are parties to a Development and Purchase and Sale Agreement (Town Commercial Parcel) dated January 9, 2018 (the “PSA”); and

WHEREAS, in the PSA, the Town agreed to purchase from Developer approximately 15 acres of commercial property, which are now located within the boundaries of District No. 5, (the “Town Commercial Property”), upon which the Town used a portion of the property as described in **Exhibit A** to build a Town of Timnath Police Station (the “Police Station Property”); and

WHEREAS, in Paragraph 21(b) of the PSA, the Town acknowledged that the owner and Developer would seek the formation of the Metro Districts and to the inclusion of the Town Commercial Property into one or more of the Metro Districts for the purposes of financing, constructing, installing and acquiring certain public improvements required for the development of the Fellwell/Feldman Property, as defined in the PSA, (including the Police Station Property), and the Town agreed that the Metro Districts may subject the Town Commercial Property to an aggregate maximum debt mill levy and operations and maintenance mill levy of 18 mills (15 mills maximum for debt and 3 mills maximum for operations and maintenance). The current understanding of the Parties is that the Town will operate and maintain their own parcel and own property, including the Town’s Police Station, so the District will not assess the 3 mills for operations on the Town Police Station Property at this time.

WHEREAS, in that certain PSA, the Town acknowledges that the sale or transfer of title to a tax exempt end user (an “Exempt End User”) would frustrate the revenue generating purpose of the Metro Districts contemplated in that agreement. The Town agreed to use best reasonable efforts to compel an Exempt End User which purchased the Town Commercial Property to enter into an agreement with the Metro District(s) to pay to the Metro District(s) on an annual basis, an amount calculated by applying

the mill levy that is assessed by the District in which the property is located for other property owners within the District to the AV of such Exempt End User's property, as determined by the Larimer County Treasurer, or if the Treasurer refused to determine the AV, the parties would cooperate with one another in determining the reasonable AV of the Property on an annual basis (the "Fee-in-Lieu Provision"); and

WHEREAS, the Town, the District No. 1, and District No. 5 have determined that the use of the Police Station Property by the Town of Timnath Police Department relates to this provision, as the Town of Timnath Police Department qualifies as an Exempt End User and that an agreement regarding payment of a fee-in-lieu as established by the PSA is necessary; and

WHEREAS, all parties agree that this Agreement satisfies the Fee-in-Lieu Provision; and

WHEREAS, the Town and the District No. 1 and District No. 5 have determined to base payments on the formula set out in section 5 of this Agreement, based on an appraised valuation of the Police Station Property as determined by the Larimer County Treasurer or, if Larimer County does not provide an appraised value, a reasonable appraised value mutually agreed to by the Parties (the "Appraisal") set out in **Exhibit B**; and

WHEREAS, the Town has indicated that it will perform its own operations and maintenance on the Town Police Station Property at no expense to the Metro Districts, and if such operations and maintenance functions are not to be performed by the Metro Districts, the Parties agree to not apply the equivalent of the 3 mills for operations and maintenance to the Fee-in-Lieu calculations in **Exhibit C**; and

WHEREAS, the Town and the District No. 1 and District No. 5 have determined that it is in the best interests of their respective taxpayers that they enter into this Agreement subject to the following terms and conditions.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and the following mutual covenants and agreements, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby confessed and acknowledged, the Parties hereby agree as follows:

1. Term of Agreement. This Agreement shall take effect as of the date set forth above and shall continue until the earlier of: a) the Metro Districts have repaid all of the debt outstanding, for the initial design and construction of Eligible Improvements which benefits the Police Station Property; b) District No. 5 does not impose a debt service mill levy; c) the Police Station Property has been conveyed to a taxable entity; or d) on December 31, 2064. Upon expiration or termination of this Agreement, the parties agree that the Town may record a notice of termination.

2. Imposition of a Fee-in-Lieu of Taxes. The Town hereby agrees to make an annual payment in lieu of taxes (the "Fee-in-Lieu Payment") to District No. 5 for purposes of payment of debt issued for the financing, construction, installing, and acquiring of certain public improvements necessary to serve the Police Station Property and the surrounding development in which the Police Station Property is included (the "Eligible Improvements") subject to the limitations set forth in Paragraph 21(b) of the PSA, including but not limited to the maximum mill levy of 15 mills for debt service (the "Maximum

Mill Levy”) for repayment obligations for capital improvements and capital costs related to or benefiting the Police Station Property.

3. Fee-in-Lieu for Capital Costs Only. District No. 1 and District No. 5 hereby acknowledge and agree the Town intends to operate and maintain the Police Station Property, including trash removal. In light of the Town agreeing to provide for all of its own operation and maintenance and trash removal, and as long as the Town or other Exempt End User, undertakes operation and maintenance of the Police Station Property, the Districts agree that the Fee-in-Lieu Payment shall not include the 3 mills for operations and maintenance as contemplated by the PSA. In the event the Town sells the Police Station Property to another Exempt End User that does not undertake its own operation and maintenance or desires to have the Metro Districts provide for operations and maintenance services to the Police Station Property, the parties or any successors-in-interest shall amend this Agreement to include fee-in-lieu payments for operation and maintenance services.

4. Appraisal of the Property. The parties agree that the Fee-in-Lieu Payment shall be calculated based on Actual Value of the Police Station Property, defined as: a) the Larimer County Assessor’s valuation of the Police Station Property (determined on an bi-annual basis by the County Assessor) or, if the County Assessor has not updated the actual value of the Police Station Property in the last two years by a reasonable actual valuation as agreed to by the Town and District No. 5 If Larimer County refuses to provide a valuation for the Police Station Property and the Town and District No. 5 are unable to agree to a reasonable valuation, the Fee-in-Lieu payment shall be calculated based on an Appraisal of the Police Station Property by an appraiser that is mutually selected by the Town and District No. 5. The initial valuation of the Police Station Property is the valuation set by the Larimer County Assessor as of the date of this Agreement, attached hereto as **Exhibit B**. The payment for any Appraisal (if needed) shall be split between the Town and the District No. 5, and the Police Station Property shall be reappraised once every four years, unless the Town and District No. 5 agree otherwise.

5. Determination of Fee-in-Lieu Payment. The Parties agree that the Fee-in-Lieu Payment shall be calculated based on the following formula:

$$\begin{array}{c} \text{Actual Value of the Police Station Property} \\ \times \\ \text{State Assessment Rate for Commercial Property} \\ \times \\ \text{Mill levy rate assessed by District No. 5 for debt service for applicable year, up to a maximum of 15} \\ \text{Mills} \end{array}$$

(the “Payment Formula”), an example of which is set forth in **Exhibit C**. The Fee-in-Lieu Payment shall be in the form of funds from the Town that would be equivalent to the amount of taxes that would have been collected by District No. 5 for repayment of capital expenses related to the District, up to the Maximum Mill Levy, if the Police Station Property was taxable.

6. Payment Obligations of the Town. The Fee-in-Lieu Payment shall be made by the Town on or prior to April 30 of each year subject to the Payment Formula set out above. The initial payment shall begin on April 30, 2024 for taxes assessed for the 2023 tax year. The initial payment date may be modified subject to joint agreement of the Parties.

7. Annual Debt Service Notification and Budget.

a. On or prior to December 15 of each year, the District will provide a notification to the Town regarding: a) the mill levy assessment for debt service by District No. 5; b) the amount of debt service due in the next fiscal year associated with the Eligible Improvements; c) any newly issued debt of to finance Eligible Improvements, d) the total outstanding Metro District debt issued to finance Eligible Improvements, and e) District No. 5's capital budget for the next fiscal year ("Debt Service Notification"). The Debt Service Notification shall include the anticipated capital expenses for the Eligible Improvements, but shall specifically exclude any and all other administrative, operations, maintenance or other costs of the District. The Debt Service Notification shall include the final certified actual and assessed valuation of the Police Station Property and the mill levy necessary to fund the Police Station Property's portion of the District's capital budget for the next succeeding year, not to exceed the lesser of: a) the debt service mill levy rate certified by District No. 5 for the current year on all real property within District No. 5 and b) 15 mills. The Debt Service Notification shall specifically delineate the Fee-in-Lieu Payment of the Police Station Property.

b. In accordance with the provisions of the PSA, the Districts shall not subject the Town Commercial Property to any development fee, transfer fee, owner's association fee, recreational or other metropolitan district fee unless expressly approved in writing by the Town.

8. Successor Owners of Police Station Property. The Parties hereby acknowledge that the Police Station Property may be later sold. Upon the sale of any portion of the Police Station Property to a third party, the new owner shall provide a legal description and contact information for the buyer to the District, along with notification as to whether the buyer is taxable or a tax-exempt entity (a "Sale Notice"). The Town shall cause this Agreement to be recorded. The Metro Districts shall retain and update their records based upon Sale Notices received and may utilize County records for purposes of providing the annual Debt Service Notification (or any Operations and Maintenance Notification in the event the Town or subsequent Exempt End User property owner wish the Metro Districts provide Operation and Maintenance Services) to all fee owners of any portion of the Police Station Property. Any successor Owners of Police Station Property if not an affiliated entity of the Town, may be subject to any development fee, transfer fee, owner's association fee, recreational or other metropolitan district fee applicable unless expressly negotiated between the District and the Town in writing prior to the transfer of the Police Station Property from the Town to a third-party. Any successor owner of the Police Station Property which is an Exempt End User may be required to continue to make the Payment-In-Lieu of taxes. If a successor owner is not an Exempt End User, this Agreement shall terminate per paragraph 1 and the successor owner will be subject to all applicable taxes imposed by the Districts.

9. Subject to Annual Appropriation and Budget. The Town does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of any payment or financial obligations of the Town pursuant to this Agreement is subject to annual budgeting and appropriations. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Town funds.

10. Default; Remedies. Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event the Town should fail or refuse to perform according to the terms of this Agreement after receipt of all necessary information by the District, including the failure to make any Fee-in-Lieu Payment when due and owing, and if such breach continues for sixty (60) days after receipt of written notice from the District, the Town shall be declared in default of this Agreement. In the event the Town has been declared in default, the Town shall be allowed a period of ten (10) days within which to cure said default. In the event the default remains uncorrected after the expiration of said ten (10) day cure period (hereinafter, an "Event of Default"), the District may elect to avail itself of any remedy at law or equity, including the right to sue for unpaid Fee-in-Lieu Payments. The District shall be in default if it does not maintain and keep the Eligible Improvements in good and working order sufficient for the continued use of the Police Station Property and in compliance with all laws, regulations and policies associated with the same or fails to use the Fee-in-Lieu Payment for the payment of debt issued to finance the initial design, construction and acquisition of the Eligible Improvements. In the event District No. 1 or District No. 5 is in default hereunder, it shall be allowed a period of 60 days within which to cure or reasonably be in the process of taking necessary action to cure said default. In the event the default remains uncorrected after the expiration of said opportunity to cure, the Town may elect to avail itself of any remedy at law or equity.

11. Waiver of Default. The failure or delay on the part of either party to enforce any provision of this Agreement shall not be construed as or considered a waiver of such provision or any other provision of this Agreement. Any consent or approval granted by any party under this Agreement shall be in writing and shall not be deemed to waive or render unnecessary the obtaining of consent or approval with respect to any subsequent act or omission for which consent is required or sought.

12. Captions. The captions contained herein are for convenience only and do not constitute a part of this Agreement and do not limit, affect or construe the contents of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire Agreement between, and shall merge all understandings, representations and agreements, whether written or oral, of, the parties with respect to Fee-in-Lieu Payments and the provisions of this Agreement. Any prior agreements, promises, negotiations or representations related to such matters not expressly set forth or referenced herein are of no force and effect, unless otherwise hereafter modified by the parties in writing.

14. Amendments. This Agreement may be amended at any time by the execution by the the Town, District No. 1 and District No. 5 of a written amendment, supplement, instrument or other agreement.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties, and all covenants conditions and agreements contained in this Agreement shall be construed as covenants running with the land.

16. Governing Law/Venue. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in Larimer County.

17. Attorneys' Fees; Prevailing Party. In the event of any litigation between or among the Parties hereto concerning the subject matter of this Agreement, the prevailing party in such litigation shall receive from the losing party, in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing party in such litigation, including all reasonable attorneys' fees.

18. Good Faith of Parties. In the performance of this Agreement, or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

19. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

20. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

21. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party, including any agent, consultant or contractor of the parties. Absolutely no third-party beneficiaries are intended by this Agreement. Any third party receiving a benefit from this Agreement shall be an incidental and unintended beneficiary only.

22. Notices. All notices, demands and communications (collectively, "Notices") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate by notice pursuant to this Section, or (c) hand-delivery. Notices shall be deemed given either one (1) business day after delivery to the overnight carrier, three days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

To the Districts:

Trailside Metropolitan District Nos. 1-5
c/o Pinnacle Consulting Group, Inc.
550 W. Eisenhower Boulevard
Loveland, CO 80537
Phone: 970-669-3611

With a Copy to:

Spencer Fane LLP
Attn: David S. O'Leary
1700 Lincoln Street, Suite 2000
Denver, CO 80203
doleary@spencerfane.com
Phone: 303-839-3800

To the Town:

Town of Timnath
Attn: Town Manager
4750 Signal Tree Drive
Timnath, CO 80547
Phone: 970-224-3211

With a Copy to:

Town Attorney
Town of Timnath
4750 Signal Tree Drive
Timnath, CO 80547
Phone: 970-224-3211

To the Developer:

Trailside Development, LLC
Attn: Patrick McMeekin
4801 Goodman Street
Timnath, CO 80547
Phone: 970-674-1109

23. Recording of Agreement. This Agreement may be recorded in the real property records of the County against the Property and if recorded, shall run with land.

24. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document or electronic signature document, and, upon receipt, shall be deemed originals and binding upon the Parties.


25. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the Town or the Metro Districts, their respective officials, employees, contractors, or agents, or any other person acting on behalf of the Town or the Metro Districts and, in particular, governmental immunity afforded or available to the Town and the Metro Districts pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S.

[Remainder of Page Intentionally Left Blank].

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above. This Agreement shall be deemed effective as of the Effective Date upon delivery of a fully executed copy hereof to the Parties.

DISTRICT NO. 1:

**TRAILSIDE METROPOLITAN DISTRICT NO. 1,
A quasi-municipal corporation and political
subdivision of the State of Colorado**


President

ATTEST:


Secretary

DISTRICT NO. 5:

**TRAILSIDE METROPOLITAN DISTRICT NO. 5,
A quasi-municipal corporation and political
subdivision of the State of Colorado**


President

ATTEST:


Secretary

TOWN:

**TOWN OF TIMNATH, A home-rule municipal
corporation of the State of Colorado**



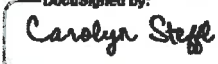
Mayor

ATTEST:



Town Clerk

APPROVED AS TO FORM:

Designated by:


F4483963ECD948F...
Town Attorney

DEVELOPER:

TRAILSIDE DEVELOPMENT, LLC
A Colorado limited liability company



Authorized Agent

EXHIBIT A

The Property
(the "Police Station Property")

Lot 1, Block 1, Rendezvous Filing No. 3, Timnath, Larimer County, Colorado

EXHIBIT B

Actual and Assessed Value of the Property

(Larimer County Assessor Valuation as of the date of the Agreement)

General Info

Building Info

Tax History

Property Map

Comparables (Nearby Sales)

Related Info

General Information

Parcel Number: **8602225901**
Schedule Number: **1679705**
Account Number: **R1679705**
Tax District: 16446
Property Tax Year: 2023
2022 Mill Levy: 122.133
Subdivision: 5022003000 - RENDEZVOUS
FILING NO 3 (20220026826)
Neighborhood: 165

Property Address:
5601 E HARMONY RD
TIMNATH, CO 80547

Owner Name & Address:
TIMNATH TOWN OF
4750 SIGNAL TREE DR
TIMNATH, CO 805474907

[Notice of Valuation](#)

[View on GIS Map](#)

[Zoning Info](#)

Current use may not reflect current zoning. Not all parcels are buildable lots. For questions about this info or to make corrections, contact the Assessor's office:

200 W. Oak Street, Suite 2000
Fort Collins, CO 80521
(970) 498-7050 - [Send email](#)

Mailing address:

PO Box 1190
Fort Collins, CO 80522

Legal Description: Lot 1, Block 1, RENDEZVOUS FILING NO 3, TIM (20220026826)

2023 Value Information

Abstract Code/Description	Value Type	Actual Value	Assessed Value	Net Acres	Net Sq Ft
9241 Town imp	Improvement	\$7,210,000	\$2,011,590	.00	0
9141 Town land only	Land	\$2,790,000	\$778,410	3.20	139,500
Totals:		\$10,000,000	\$2,790,000	3.2	139,500



EXHIBIT C

Fee-in-Lieu Payment Chart

Tax Year	Police Station Property Valuation	State Assessment Rate for Commercial Property	Mills (Lesser of amount certified by District for Debt or 15 Mills)	Annual Payment
2023	\$10,000,000	27.90%	15	\$41,850

EXHIBIT D

Development and Purchase and Sale Agreement

**DEVELOPMENT AND
PURCHASE AND SALE AGREEMENT
(Town Commercial Parcel)**

THIS DEVELOPMENT AND PURCHASE AND SALE AGREEMENT (the “**Agreement**”), is made and entered into to be effective as of 9th day of January, 2018 (the “**Effective Date**”), by and between **THE TOWN OF TIMNATH**, a Colorado municipal corporation (“**Town**”) and **HARTFORD INVESTMENTS, LLC**, a Colorado limited liability company (“**Hartford**”) and/or assigns. The Town and Hartford are referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

1. Purpose. The purpose of this agreement is to memorialize development terms for approximately one hundred sixty-five (165) acres, more or less, located on the south side of Harmony Road, between Signal Tree Way on the west and Great Western Railroad on the east , Town of Timnath, Larimer County, State of Colorado, annexed to the town in conjunction with the approval of this Agreement (the “**Fewell/Feldman Property**”), and to address the terms of the purchase and sale by the Town of approximately 15 commercial acres within the Fewell/Feldman Property, as described more fully below.

2. Agreement of Sale and Purchase of Town Commercial Property. For and in consideration of the Purchase Price and of the premises, undertakings, and mutual covenants of the Parties set forth herein, Hartford agrees to sell and convey unto the Town, and the Town hereby agrees to purchase and take from Hartford that certain approximately 15 acre parcel being generally depicted on Exhibit A attached hereto and made a part hereof, together with all improvements thereon an all singular rights and appurtenances pertaining thereto, (all of such real property, rights, and appurtenances being hereinafter referred to collectively as the “**Town Commercial Property**”). The agreement of the Parties associated with the purchase and sale of the Town Commercial Property shall be referred to herein as the “**Town Purchase Right**.” The approximately 15 acre parcel referred to herein will include one-half of the right-of-way for the planned roads on the south and south east of the Town Commercial Property, i.e. the Town Commercial Property does not include a full 15 acres of developable land. The Town Commercial Property does not include any water, water rights, minerals or mineral rights all of which shall be reserved by Hartford at Closing. Hartford shall seek approval of a plat with Town that will create a single legal tract or tracts for the Town Commercial Property. Upon Town approval and recording of a Final Plat for the Fewell/Feldman Property which shall also create a legal tract or tracts for the Town Commercial Property, the Parties agree that the legal description of the newly platted tract or tracts for the Town Commercial Property shall be substituted for the 15 acre parcel depiction in Exhibit A. The Town Commercial Property shall be conveyed to Town by Hartford using the platted tract(s) as the legal description for the Town Commercial Property. Subject to market conditions, Hartford agrees to make commercially reasonable efforts to develop the Fewell/Feldman Property as generally depicted on Exhibit A, including the development of approximately one hundred sixty-eight (168) senior/multi-family units.

3. Purchase Price. Hartford shall sell, and the Town shall purchase, the Town Commercial Property for One Million Two Hundred Sixty Five Thousand Dollars (\$1,265,000) (the “**Purchase Price**”).

4. Payment of Purchase Price. The Purchase Price shall be due and payable in US Dollars by wire transfer to Hartford at Closing.

5. Evidence of Title.

(a) Commitment. On or before seven days after the Effective Date (the “Title Deadline”), Hartford, at Hartford’s expense, shall cause to be furnished to Town a current commitment for owner’s title insurance policy in an amount equal to the purchase price (“the Commitment”) from Heritage Title Company (“the Title Company”). The Commitment shall commit to delete or insure over the standard exceptions which relate to: (1) parties in possession; (2) unrecorded easements; (3) survey matters; (4) any unrecorded mechanic’s liens; (5) gap period (effective date of the Commitment to date deed is recorded); and (6) unpaid taxes, assessments, and unredeemed tax sales prior to the year of Closing. Neither the failure of the Title Company to deliver a Title Commitment on or before the Title Deadline nor the Title Company’s failure or refusal to commit to delete or insure over the standard exceptions as described above will be considered a default of Hartford.

(b) Survey. On or before twenty-one (21) days after the Effective Date (the “Survey Deadline”), Town, at Town’s sole cost and expense, may commission a current ALTA/ASCM survey of the Town Commercial Property (“the Survey”). The Survey shall indicate that it is for the benefit of and shall be certified to Hartford, Town and the Title Company and shall not contain any limitation of liability.

(c) Copies of Exceptions. On or before the Title Deadline, Hartford shall ask the Title Company to furnish to Town (1) a copy of any plats, declarations, covenants, conditions, and restrictions burdening the Town Commercial Property; and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions in the Commitment (“the Exceptions”). This requirement shall pertain only to documents as shown of record in the office of the Clerk and Recorder of Larimer County, Colorado. The Commitment, Survey, and copies or summaries of the Exceptions constitute the title documents (“the Title Documents”).

6. Title.

(a) Title Review. Town shall have the right to inspect the Title Documents. Written notice by Town of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Town and given to Hartford on or before thirty (30) days after the Effective Date (the “Title Objection Deadline”). If Hartford does not receive Town’s notice by the Title Objection Deadline, Town accepts the condition of title as disclosed by the Title Documents as satisfactory. If Town determines that there are title exceptions or matters shown on the Commitment other than those acceptable to Town, Town shall notify Hartford, in writing, of such title objections (“Town’s Title Objection Notice”) and Hartford shall have the right, within ten (10) days after receiving such notice, to elect, by

providing written notice thereof to Town: (i) to cure the title objections at Hartford's cost and expense, or (ii) not to cure such objections ("Hartford's Title Response Notice"). Hartford's failure to notify Town in writing within the stated time frame shall be deemed Hartford's election not to cure. If Hartford elects to cure, Hartford shall complete such cure within twenty (20) days after Hartford's Title Response Notice but in no event later than the Closing Date, and provide Town with an update to the Commitment demonstrating that the title objections have been cured. If Hartford fails to timely cure or elects not to cure, then Town shall be entitled to elect to terminate the Town Purchase Right or waive such objection by delivery of written notice to Hartford on or before the date that is five (5) days after the date on which Hartford's Title Response Notice was due or cure was to be completed as the case may be, and if Town elects to terminate, the Town Purchase Right shall immediately terminate and thereafter no Party hereto shall have any further obligation or liability to the other with respect to the Town Purchase Right contemplated by this Agreement, except for those provisions of this Agreement that expressly survive termination. If Town fails to timely deliver its written waiver pursuant to the preceding sentence, this Agreement shall be deemed terminated and thereafter no party hereto shall have any further obligation or liability to the other with respect to the Town Purchase Right contemplated by this Agreement, except for those provisions of this Agreement that expressly survive termination.

(b) Matters Not Shown by the Public Records. Hartford shall disclose to Town, on or before the Title Deadline all easements, liens, or other title matters not shown by the public records of which Hartford has actual knowledge. Town shall have the right to inspect the Town Commercial Property to determine whether any third party or parties has any right in the same not shown by the public records (such as an unrecorded easement or boundary line discrepancy). Any such inspection may only occur upon forty-eight hours prior written notice to Hartford. Written notice of any unsatisfactory condition(s) disclosed by Hartford or revealed by such inspection shall be signed by or on behalf of Town and given to Hartford on or before the thirty (30) days after the Effective Date, (the "Due Diligence Deadline"). If Hartford does not receive Town's notice by said date, Town accepts title subject to such rights, if any, of third parties of which Town has actual knowledge.

(c) Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTIES WITHIN SUCH DISTRICTS. PROPERTIES OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTIES IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTIES, AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

7. Closing. The closing of the purchase and sale of the Town Commercial Property (the “**Closing**”) shall be completed at the offices of the Title Company and shall take place on the date that is seven (7) days after satisfaction or Hartford’s written waiver of the conditions precedent set forth in Section 17 below (the “**Closing Date**”). Each Party may deliver all documents and funds required hereunder to the Title Company for Closing so that no Party is required to attend Closing in person.

8. Transfer. Subject to tender or payment of the Purchase Price at Closing as required herein and compliance by Town with the other terms and provisions hereof to be performed prior to Closing, Hartford shall execute and deliver a good and sufficient special warranty deed (the “**Deed**”) to Town conveying the Town Commercial Property free and clear of all liens and encumbrances subject only to those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Town in accordance with Section 6 hereinabove and a reservation of all water, water rights, minerals and mineral rights.

9. Hartford’s Obligations At Closing. At Closing, Hartford shall do the following:

a. Hartford shall duly execute, have acknowledged, and deliver to Town the Deed; and

b. Hartford shall pay Hartford’s closing costs as hereinafter specified and as specified in a settlement statement approved by Hartford;

c. If there are any mortgages or deeds of trust encumbering the Town Commercial Property, Hartford shall cause to be secured from the lender, or other holder of any note or lien on the Town Commercial Property, a properly-executed and recordable release or partial release of lien for execution and delivery simultaneously with the Deed;

d. Hartford shall cause the Title Company to commit to Town that it has issued, or, within a reasonable time after the Closing, shall issue, a Title Policy in the amount of the Purchase Price, insuring fee simple, good and indefeasible title to the Town Commercial Property and right of access thereto in Town consistent with the Title Commitment;

e. Hartford shall execute and deliver to Title Company such other documents as are reasonably necessary or appropriate in order to consummate the transactions described in this Agreement.

10. Town’s Obligations At Closing. At Closing, the Town shall do the following:

a. Pay to Hartford the Purchase Price in US Dollars via wire transfer or other immediately available funds, subject to the credits and prorations as described in this Agreement;

b. Town shall execute and deliver such other documents as are reasonably necessary or appropriate in order to consummate the transactions described in this Agreement.

11. Closing Costs.

- Closing:
- a. Hartford shall pay the following costs and expenses in connection with
 - i. Hartford's portion of the prorated taxes and fees and any assessments (as provided below);
 - ii. Hartford's own attorney's fees;
 - iii. The cost of preparing the Deed;
 - iv. One-half of the Title Company's escrow fee;
 - v. The premiums for the Title Policy, except for any premium associated with any extended coverage or special endorsements requested by Town that Hartford has not agreed to pay; and
 - vi. Such other incidental costs and fees customarily paid by sellers in land transactions of this nature in the county where the Town Commercial Property is situated.

- Closing:
- b. Town shall pay the following costs and expenses in connection with
 - i. Town's own attorney's fees as well as all fees related to consultants working for the Town on the transaction;
 - ii. The cost of recording the Deed;
 - iii. One-half of the Title Company's escrow fee;
 - iv. The premium associated with any extended coverage or special endorsements to the Title Policy requested by Town that Hartford has not agreed to pay; and
 - v. Such other incidental costs and fees customarily paid by purchasers in land transactions of this nature in the county where the Town Commercial Property is situated.

12. Proration of Taxes. Current ad valorem taxes shall be prorated as of the Closing Date based on the most recent valuation of the Town Commercial Property without giving effect to any exemptions. All prorations pursuant to this Agreement shall be final. All outstanding and unpaid ad valorem taxes and assessments for prior calendar years shall be paid by Hartford.

13. Remedies. If either Party breaches an express warranty or representation set forth in this Agreement or fails to perform any of its obligations under the Agreement, then the non-defaulting Party shall give written notice of a potential default to the defaulting Party. If such default is not cured within 14 days after receipt of such notice, the non-defaulting Party shall have a right to pursue any rights and remedies as are available at law or in equity, except no

Party shall have the right to recover (and each Party hereby waives all rights to) any speculative, consequential, or punitive damages for such default.

14. Hartford's Representations, Warranties, and Covenants. Hartford hereby makes the following representations and warranties and covenants, which shall be true and applicable as of the Closing, and which shall survive the Closing for a period of three (3) months. For the purposes of this Agreement, "**Hartford's actual knowledge**" means the actual knowledge of Landon Hoover, Gary Hoover, and Patrick McMeekin.

a. Hartford is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Colorado, and has all necessary authority to transact business in the State of Colorado.

b. This Agreement and all documents required hereby to be executed by Hartford is and shall be valid, legally binding obligations of and enforceable against Hartford in accordance with their terms. The person or entity executing this Agreement on behalf of Hartford has the full right and authority to do so.

c. To Hartford's actual knowledge, there are no pending or threatened suits, proceedings, or litigation affecting the Town Commercial Property.

d. Hartford has received no written notice of any violations of any owners association covenants, rule or regulations or any law, code or regulation applicable to the Town Commercial Property, and to Hartford's actual knowledge, there are no such violations.

e. To Hartford's actual knowledge, there are no attachments, executions, or assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws pending or threatened against Hartford.

f. There are no mortgages, deeds of trust, or any other loan or agreement affecting the Town Commercial Property except as reflected in the Title Commitment.

g. To Hartford's actual knowledge, the execution of this Agreement and the consummation of the transactions contemplated hereby are not (nor will they be with the passage of time) a breach or default under any agreement or instrument to which Hartford is a party, nor will they require the consent or approval of any other person.

h. To Hartford's actual knowledge, Hartford is currently in compliance with the regulations of OFAC (including those named in OFAC's Specially Designated and Blocked Persons list) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

i. No portion of the Closing proceeds hereunder has been or will be used, directly or indirectly for, and no fee, commission, rebate or other value has been or will be paid to, or for the benefit of, any governmental official, political party, official of a political party or

any other person acting in an official capacity in violation of any applicable law, including the U.S. Foreign Corrupt Practices Act of 1977, as amended.

j. To Hartford's actual knowledge, there are no parties in possession of any portion of the Town Commercial Property as lessees, tenants at sufferance, or trespassers except pursuant to the farm lease, a copy of which has been or will be provided to Town prior to the Title Objection Deadline.

k. To Hartford's actual knowledge, there are no pending, or threatened condemnation or similar proceeding or special assessment affecting the Town Commercial Property, or any part thereof, nor, is any such proceeding or assessment contemplated by any Governmental Agency. As used herein, the term "**Governmental Agency or Agencies**" shall mean the United States, the State of Colorado, the County and municipality (if any) in which the Town Commercial Property is located or otherwise having jurisdiction over Hartford or the development of the Town Commercial Property; any metropolitan district, special improvement, service district, school district, owners association or similar taxing authority in which the Town Commercial Property is located or otherwise having jurisdiction over Hartford or the development of the Town Commercial Property; and any agency, department, commission, board, or bureau of instrumentality of any of foregoing.

l. Hartford is not a "foreign person", as defined in the Internal Revenue Code.

m. During the period of its ownership, to its actual knowledge, Hartford has not received any written notice of any violation of any laws, ordinances, regulations, statutes, codes, rules, orders, decrees, determinations, covenants, and restrictions relating to the Town Commercial Property including, but not limited to, Environmental Laws, as hereinafter defined, including those promulgated or imposed by the FHA, the VA, and by any Governmental Agency or any board of fire underwriters (or any other body authorized to exercise any similar function). Furthermore, to Hartford's actual knowledge, no default or breach exists under any of the covenants, conditions, restrictions, rights-of-way, or easements affecting the Town Commercial Property or any portion thereof.

n. Hartford's representations and warranties set forth herein shall not merge into the deed to be delivered at Closing and are deemed to be material to Town's execution of this Agreement and Town's performance of its obligations hereunder.

15. Town's Representations and Warranties. Town hereby makes the following representations and warranties and covenants, which shall be true and applicable as of the Closing, and which shall survive the Closing for a period of three (3) months.

a. Town has the full right, power, and authority to purchase the Town Commercial Property from Hartford as provided in this Agreement and to carry out its obligations hereunder; and all required action necessary to authorize Town to enter into this Agreement and to carry out its obligations hereunder has been taken prior to the Closing Date.

b. Town is a Colorado municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Colorado.

c. This Agreement and all documents required hereby to be executed by Town are and shall be valid, legally binding obligations of and enforceable against Town in accordance with their terms. The person or entity executing this Agreement on behalf of Town has the full right and authority to do so.

d. No approval, authorization, consent, exemption, or other action by, or notice to, or filing with, any Government Agency or any other person is necessary or required in connection with the execution, delivery, or performance by, or enforcement against, Town, as applicable, of this Agreement. “**Government Agency**” means all governmental or quasi-governmental agencies, authorities, bodies, districts, or entities exercising or having jurisdiction over the development of the Town Commercial Property.

e. There are no actions, arbitrations, claims, disputes, inquiries, proceedings, or suits pending or threatened, at law, in equity, in arbitration, or before any Government Agency, by or against Town or against any of its properties or revenues that (i) purport to affect or pertain to this Agreement or (ii) if adversely determined, would reasonably be expected to result in a material adverse effect upon the Town Commercial Property and its use for development.

f. Town is currently in compliance with the regulations of OFAC (including those named in OFAC’s Specially Designated and Blocked Persons list) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

g. No portion of the cash or money used to pay the Closing proceeds hereunder has been used, directly or indirectly for, and no fee, commission, rebate or other value has been or will be paid to, or for the benefit of, any governmental official, political party, official of a political party or any other person acting in an official capacity in violation of any applicable law, including the U.S. Foreign Corrupt Practices Act of 1977, as amended.

h. The Parties intend that the sale of the Town Commercial Property will be exempt from the Interstate Land Sales Full Disclosure Act, 15 U.S.C. § 1701, et seq., under the exemption applicable to the sale or lease of property to any person who acquires property for the purpose of engaging in the business of constructing residential, commercial, or industrial buildings or for the purpose of resale of such lots to persons engaged in such business. Town hereby represents and warrants to Hartford that it is acquiring the Town Commercial Property for such purposes. The Parties further acknowledge that the sale of the Town Commercial Property will be exempt under the Colorado Subdivision Buyers Act, C.R.S. § 12-61-401, et seq., under the exemption applicable to transfers between developers. Town represents and warrants to Hartford that Town is acquiring the Town Commercial Property for the purpose of participating as the owner of the Town Commercial Property in the development, promotion, and/or sale of the Town Commercial Property and portions thereof.

16. Subject to Annual Appropriation and Budget. The Town does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The

obligations of the Town under this Agreement are subject to annual budgeting and appropriations, and Hartford expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of the Town Council, and the obligations of the Town shall extend only to monies appropriated for the purposes of the matters described in this Agreement.

17. Subject to Certain Conditions Precedent. The obligations of Hartford and the Town are expressly subject to the following conditions precedent which must be satisfied or waived in writing prior to or concurrently with Closing:

a. Hartford shall have closed on the purchase of the Fewell/Feldman Property and shall own the same consistent with its obligations under this Agreement.

b. Town shall have closed on the purchase of certain other lands commonly referred to between the Parties as the South Farm.

c. The Fewell/Feldman Property shall have been annexed to the Town and shall have received the requested CC – Community Commercial zoning for the Town Commercial Property and R3 – Mixed Residential zoning with a PD – Planned Development District overlay zoning for the balance of the Property.

d. The Town shall have approved and recorded a final plat for the Fewell/Feldman Property and entered into a Subdivision Improvements Agreement (“SIA”) with Hartford for the planned development of the Fewell/Feldman Property both in form acceptable to Hartford and the Town. The Parties hereto anticipate that the SIA will include a 10-year vested property right for development of the Fewell/Feldman Property.

e. Hartford shall have completed formation of metropolitan districts for the Fewell/Feldman Property and the Town shall have provided its approval of a service plan by a Resolution approved by the Town Council for the Fewell/Feldman Property associated with the creation of one or more metropolitan districts.

18. Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall, in the case of a notice or demand, be given electronically or in writing, and if made in writing may be personally delivered or given or made by recognized overnight courier service (such as Federal Express, Airborne or DHL), or by United States registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

To the Town: Town of Timnath
4800 Goodman Street
Timnath, CO 80547
Attention: Town Manager
970-224-3211 (phone)
970-224-3217 (fax)
agetchiu@timnathgov.com

With a copy to: WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Robert G. Rogers, Esq.
(303) 858-1800 (phone)
(303) 858-1801 (fax)
rrogers@wbapc.com

To Hartford: Hartford Investments, LLC
4801 Goodman Street
Timmath, CO 80547
Attention: Landon Hoover
(970) 674-1109
Landon@Hartfordco.com

With a copy to: Coan, Payton & Payne, LLC
103 W. Mountain Avenue, Suite 200
Fort Collins, CO 80524
Attention: G. Brent Coan, Esq.
(970) 225-6700
gbcoan@cp2law.com

Any party may designate a different address for itself by notice similarly given. Unless otherwise provided herein, any such notice, demand or document so given, delivered or made by recognized overnight courier or by registered or certified mail shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given.

19. No Merger. Any covenant or agreement herein which contemplates performance after the time of Closing pursuant hereto shall not be deemed to be merged into or waived by the instruments of Closing, but shall expressly survive Closing, subject to any period of survival set forth herein that is applicable to such covenant or agreement, and be binding upon the Parties obligated thereby.

20. Real Estate Broker's Commission. The Parties represent and warrant to one another that no broker, person or entity is entitled to a commission, finder's fee or other compensation arising from this transaction, and each party hereby agrees to indemnify, defend and hold the other party harmless from and against any and all claims, loss or damage relating to or arising out of any claim for compensation by any other broker, person or entity claiming by or through such indemnifying party.

21. Additional Terms. The Parties acknowledge and agree that Town's agreement to following Additional Terms is a material part of this Agreement and considered additional consideration for Hartford's agreement to sell the Town Commercial Property to Town. All of the following Additional Terms that cannot be fully performed prior to Closing will survive Closing and delivery of the Deed. Additionally, all of the following Additional Terms shall

survive a decision by the Town not to exercise the Town Purchase Right. Town acknowledges that Hartford has and will detrimentally rely upon the Town's agreement to satisfy its obligations as provided in subsections a. through i. of this Section 21.

a. Joint Visioning. The Town agrees to consult with Hartford as Town develops a vision for commercial development on the Town Commercial Property, which vision shall include allowable land uses and design standards for development of the Town Commercial Property.

b. Establishment of Metropolitan District(s). The Town acknowledges that Hartford may seek to establish one or more metropolitan districts for the Fewell/Feldman Property, for the purpose of financing, constructing, installing and acquiring certain public improvements required for the development of the Fewell/Feldman Property. The Town agrees, to the extent legally permitted, to the inclusion of the Town Commercial Property into one metropolitan district, subject to a maximum mill levy of 15 mills for debt service and 3 mills for operations and maintenance, contingent on the metropolitan district providing for snow plowing, landscape maintenance, including the water bill for irrigation water (not associated with tap fees and/or raw water requirements), and trash removal at no additional charge. The aggregate maximum mill levy permitted in the metropolitan district shall be 18 mills, and Hartford shall not subject the Town Commercial Property to any development fee, transfer fee, owner's association fee, recreational or other metropolitan district fee unless expressly approved in writing by the Town. Additionally, the Town agrees to execute and record a covenant at Closing that will require the Town and all future owners of the Town Commercial Property, and any portion thereof, to certify the costs of all eligible reimbursable public infrastructure improvements installed upon or within the Town Commercial Property to the applicable metropolitan district formed pursuant to the provisions of the paragraph. The Town acknowledges that the sale or transfer of title to a tax exempt end user (an "Exempt End User") would frustrate the revenue generating purpose of the District(s) contemplated in this Paragraph. In the event of such a transfer or sale to and Exempt End User, the Town agrees to use best reasonable efforts, to include withholding certificates of occupancy, as necessary, to compel such Exempt End User to enter into an agreement with the District(s), pursuant to the terms of which the Exempt End User will pay to the District(s), on an annual basis, an amount calculated by applying the mill levy that is assessed by the District(s) for other property owners within the District(s) to the AV of such Exempt End User's property, as determined by the Larimer County Treasurer. If the Larimer County Treasurer is unwilling to determine the AV of the property transferred to such Exempt End User, the Parties will cooperate with one another in determining the reasonable AV of the Property on an annual basis.

c. Signal Tree Traffic Signal. The Town will assume and pay the full cost of constructing the Signal Tree Traffic Signal and waives Hartford's share of the cost of constructing this signal. The Town confirms that no other party has or will have a right to be reimbursed from Hartford for any costs associated with this signal.

d. Sewer Reimbursement Fee. Sewer reimbursement fees for Hartford's construction of residential units within the Fewell/Feldman Property will be waived for 250 residential units to be designated by Hartford. Thereafter, the sewer reimbursement fees for all other residential units within the Fewell/Feldman Property shall not exceed \$2,200.00 per unit.

e. Harmony Road Access Road. The Town will assume the full cost of constructing the Harmony Road access road to the Fewell/Feldman Property and will coordinate with Hartford for the installation of utilities within said road to serve the Fewell/Feldman Property, if any. The Town will commence and complete construction of the Harmony Road access road concurrently with completion of construction by Hartford and initial acceptance by the Town of Hartford's connectors to said access road. The Parties agree that the Town have shall have exclusive naming rights in connection with the Harmony Road access road.

f. Infrastructure Cost Sharing. The Parties will share in infrastructure costs for various improvements required in connection with development of the Fewell/Feldman Property and the Town Commercial Parcel as contained in the table attached hereto as **Exhibit B.**

g. Time is of the Essence and Expedited Town Review. Time is of the essence for both Parties with respect to the obligations herein. The Parties agree that they will each act in as expeditious a manner as is reasonably possible in performing the obligations herein. In addition, provided Hartford submits the required documents in compliance with the Town Municipal Code and the Town Land Use Code, the Town hereby agrees to process Hartford's (or the current owners' of the Fewell/Feldman Property as the case may be) development applications on an expedited basis with the mutual objective of achieving the commencement of construction of the initial development phase on the Fewell/Feldman Property by June of 2018. For purposes of this Agreement, expedited processing of development applications shall mean and refer to all currently pending applications and all future applications for future phases of development for the Fewell/Feldman Property. The Town agrees to cooperate in good faith to facilitate the timely review and approval of all development plans and specifications for the Fewell/Feldman Property. The Town shall review and provide notice of defects within thirty (30) calendar days for all initial submittals and shall provide notice of defects within twenty (20) calendar days for all subsequent submittals. There shall be no issuance of any building permits by the Town for lots within any defined phase of the Fewell/Feldman Property until all Public Improvements (as defined in the SIA) within that phase, excluding Landscaping, irrigation, and signage, have been granted Initial Acceptance by the Town as provided for in the Code. There shall be no issuance of any occupancy certificates within any phase until all Public Improvements within that phase, including Landscaping, irrigation, and signage, have been granted Initial Acceptance by the Town as provided for in the Code. As a limited exception to the requirements contained in this paragraph, the Town hereby agrees that up to twenty (20) building permits for model homes (not more than five (5) permits for each of four (4) different product types) to be built within the boundaries of the Fewell/Feldman Property may be issued and outstanding at any given time for the entirety of the Property upon the completion of water and sanitary sewer improvements, which have been approved by all applicable regulatory entities, and completion of an all-weather surface on streets within the applicable Phase of the Property.

h. Waiver of Certain Fees. All per-acre annexation fees that would ordinarily be required as a condition of annexation are hereby waived by the Town for the Fewell/Feldman Property. Notwithstanding the foregoing, the current owner of the Fewell/Feldman Property shall be obligated to pay any actual costs incurred by the Town for review of the application as provided for in the fee agreement previously entered into by the

parties. Additionally, in the event the Deters (Parcel Number 8602410701) or Buchleiter (Parcel Number 8602000003) properties to the south of the Fewell/Feldman Property are under contract with or purchased by an entity owned or controlled by Gary Hoover and/or Landon Hoover and annexed within a period of six (6) years of the effective date of this Agreement, all per-acre annexation fees associated with those properties will be waived by the Town as well.

i. Sanitary Sewer Utilities. The Fewell/Feldman Property shall obtain sewer service from the South Fort Collins Sanitation District. Town agrees to support a request to the South Fort Collins Sanitation District for 790 total Single Family Equivalent (“SFE”) units (including both residential and commercial) to be approved for the Fewell/Feldman Property. Additionally, Town and Hartford agree that 50 of the total SFE units approved for the Fewell/Feldman Property will be allocated to the Town Commercial Property.

22. Fee Reimbursement in the Event Closing Does Not Occur: Hartford acknowledges that the sale of the purchase Town Commercial Property was a material factor in the Town’s waiver of various fees and public improvement construction requirements in that certain Annexation Agreement for the Fewell/Feldman Property annexation entered into contemporaneously herewith by and among the Town and the Property Owner identified therein (the “Fewell/Feldman Annexation Agreement”). In the event that Closing on the sale of the Town Commercial Parcel is not completed as specified in this Agreement due solely to a material default by Hartford under the terms of this Agreement, Hartford shall immediately reimburse the Town for all waived fees in connection with the Fewell/Feldman Annexation Agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating to the sale of the Town Commercial Property to the Town, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Town and Hartford.

24. Governing Law. The Parties hereby expressly agree that the terms and conditions of this Agreement shall be construed and controlled by the laws of the State of Colorado.

25. Attorney’s Fees. In the event of any litigation to enforce or construe the terms of this Agreement, the prevailing party shall be entitled to payment of its costs of litigation, including attorney fees, by the other party. The term “prevailing party” means the party obtaining substantially the relief sought, whether by compromise, settlement or judgment.

26. Severability. If any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of Parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid, and Parties shall cooperate to cure any such defect.

27. Time Periods. Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless “business days”

is otherwise expressly provided. Therefore, if (a) the last date by which each Closing is permitted to occur hereunder, or (b) any date by which a party is required to provide the other party with notice hereunder, occurs on a Saturday or a Sunday or a banking holiday in the jurisdiction where the Property is located, then and in any of such events, such applicable dates shall be deemed to occur, for all purposes of this Agreement, on that calendar day which is the next, succeeding day, which is not a Saturday, Sunday or banking holiday.

28. Counterparts. This Agreement may be executed in counterparts and, as so executed, shall constitute one Agreement, binding on the Parties even though the Parties have not signed the same counterpart. Any counterpart of this Agreement that has attached to it separate signature pages, which altogether contain the signatures of all the Parties, shall be deemed a fully executed instrument for all purposes.

29. No Recording. The Parties acknowledge and agree that this Agreement shall not be recorded in the real property records of Larimer County, Colorado.

[Signature Page Follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

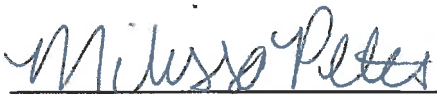
TOWN:

THE TOWN OF TIMNATH, a home rule
municipal corporation and political subdivision of
the State of Colorado



Jill Grossman-Belisle, Mayor

ATTEST:



Town Clerk

HARTFORD:

HARTFORD INVESTMENTS, LLC

By: 

Name: LANDON HOOVER

Title: MANAGER

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 5 day of January, 2018, by Landon Hoover as Manager, of HARTFORD INVESTMENTS, LLC.

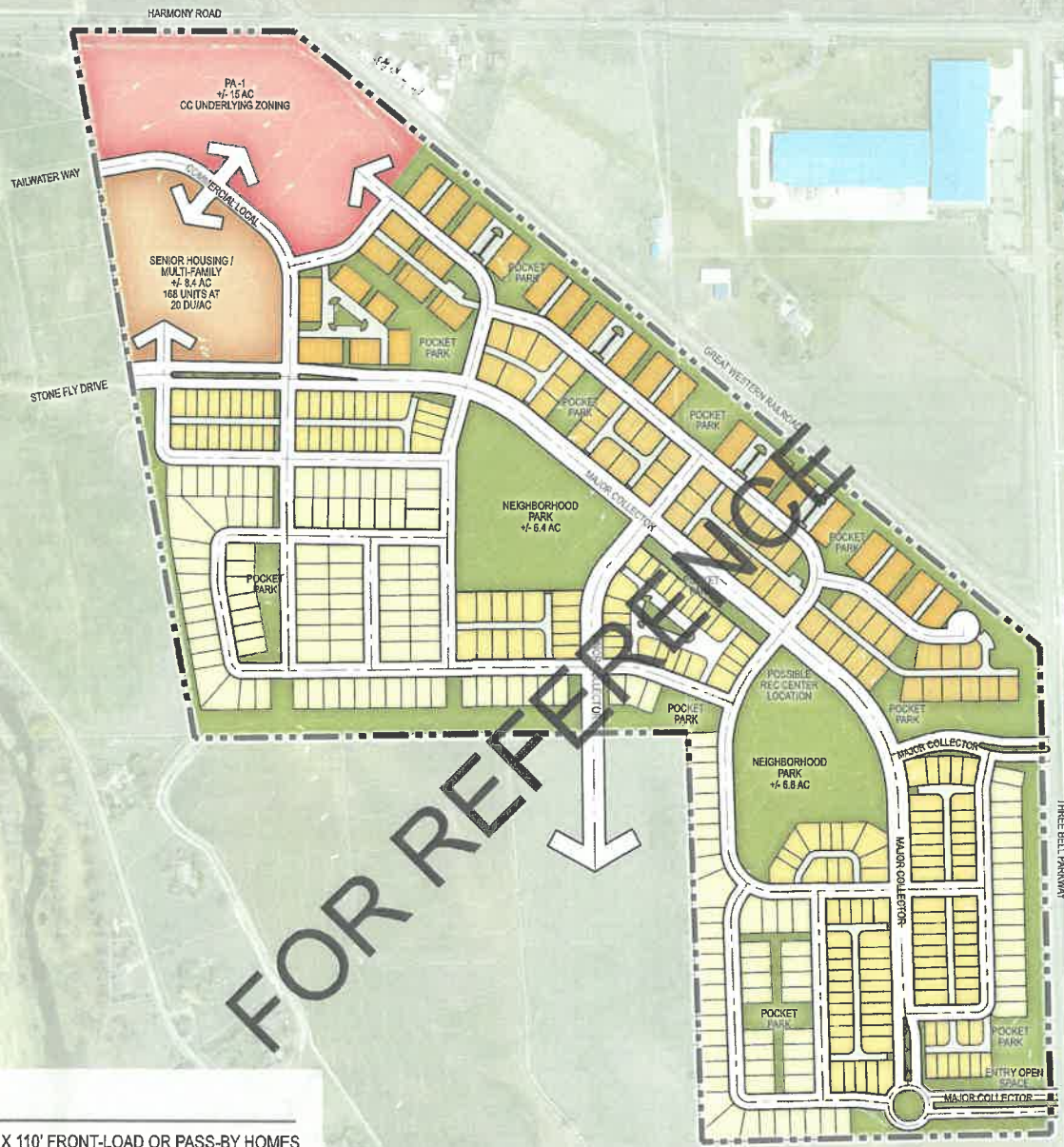
WITNESS my hand and official seal.

ZACHARY THOMAS MILLER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154035691
MY COMMISSION EXPIRES 09/09/2019


Notary Public

My Commission expires: 09/09/2019

EXHIBIT A
(General Depiction of Town Commercial Property Pending Subdivision Plat Approval)



LEGEND

- 178 55' X 110' FRONT-LOAD OR PASS-BY HOMES
- 156 40' X 90' REAR-LOAD HOMES
- 99 34' X 90' PAIRED REAR-LOAD HOMES
- 139 TOWNHOMES
- 168 SENIOR / MULTI-FAMILY UNITS
- 740 TOTAL



NOTE: THIS IMAGE IS CONCEPTUAL AND SUBJECT TO CHANGE

EXHIBIT B

Infrastructure Cost Sharing Plan

Infrastructure Sharing Between the Parties			
Other Expenses to be shared on pro-rata basis	Currently Estimated Total cost	Hartford %	Town %
Harmony Road Obligation Phase II Hartford portion due to Town upon issuance of 1 st Building Permit in Phase I	\$235,012	84.3%	15.7%
Harmony Road Obligation Phase III Hartford portion due to Town upon issuance of 1 st Building Permit in Phase I	\$135,000	84.3%	15.7%
Signal Tree Signal	\$50,000	0%	100%
Construction of road to Fewell - built by town/reimbursed through Riverbend Agreement	\$0	0%	0%
Construction of road south of commercial- (This is the east/west road that will border commercial and Fewell residential)	TBD in SIA	50%	50%
Sewer cost for road south of commercial	TBD in SIA	50%	50%
Water cost for road south of commercial	TBD in SIA	50%	50%
Construction of internal road access to Harmony	TBD	0%	100%
Water cost for access road	TBD	0%	100%
Sewer costs for access to road to Harmony	TBD	0%	100%