

CERTIFIED RECORD

OF

PROCEEDINGS

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2
CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO**

RELATING TO

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021A(2)

AND

SUBORDINATE GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021B(2)

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO)
)
EL PASO COUNTY)
)
BRADLEY HEIGHTS METROPOLITAN)
DISTRICT NO. 2)

The Board of Directors of Bradley Heights Metropolitan District No. 2, El Paso County, Colorado, met in _____ session at _____, in _____, Colorado, on _____, the ____ day of _____, 2021, at the hour of _____.m.

In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

The following members of the Board of Directors were present, constituting a quorum:

President and Chairman: _____
Vice President: _____
Secretary/Treasurer: _____
Directors: _____

Absent: _____

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Bradley Heights Metropolitan District No. 2, City of Colorado Springs, El Paso County, Colorado (the “District”), is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to the constitution and laws of the State of Colorado; and

WHEREAS, at a special election of the eligible electors of the District, duly called and held on Tuesday, November 1, 2005 (the “2005 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2005 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the repayment of such indebtedness for the purpose of providing public improvements; and

WHEREAS, the returns of the 2005 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2005 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S. within forty-five days after the election; and

WHEREAS, the District has not heretofore issued any indebtedness authorized by the 2005 Election; and

WHEREAS, the District was created in part for the purpose of providing funding for public improvements through the issuance of its own bonds, payable from certain tax levies to be imposed by the Pledge District and pledged to the District through an intergovernmental agreement; and

WHEREAS, the Board of Directors of the District (the “Board”) has determined and does hereby determine that it is necessary to pay the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved at the 2005 Election (the “Project”); and

WHEREAS, in order to provide such improvements, the Board and the Board of Directors of the Pledge District (as defined herein) have determined and hereby determine that it is in the best interests of the District and the Pledge District, and the residents and taxpayers thereof, that the Project be financed by the issuance of bonds, and that for such purpose there shall be issued the District’s (i) General Obligation Limited Tax Bonds, Series 2021A(2) (the “Series 2021A(2) Senior Bonds”), and (ii) Subordinate General Obligation Limited Tax Bonds, Series 2021B(2) (the “Series 2021B(2) Subordinate Bonds”), in the maximum aggregate principal amount of \$35,000,000 (the “Bonds”); and

WHEREAS, the Bonds will be issued and secured by two separate Indentures of Trust, one for each series (individually, an “Indenture” and collectively, the “Indentures”), between the District and UMB Bank, n.a., as trustee (the “Trustee”); and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds shall be limited obligations of the District; each series payable solely from the revenues pledged thereto by the applicable Indenture; and

WHEREAS, the Bonds are being issued only to financial institutions or institutional investors within the meaning of §32-1-1101 (6)(a)(IV), C.R.S., and thus are permitted pursuant to such statute; and

WHEREAS, the issuance of the Bonds does not involve a public offering, and shall be made exclusively to “accredited investors”, as that term is used in §11-59-110 (1)(g), C.R.S., and thus will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the allocation of the Bonds to the authorized but unissued indebtedness from the 2005 Election shall be as set forth in the Indentures, and shall be determined based upon the expected use of the proceeds thereof as of the date of issuance of the Bonds and subject to change as provided in the Indentures; and

WHEREAS, the Board has been presented with a proposal in the form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) from D.A. Davidson & Co., of Denver, Colorado (the “Underwriter”), to purchase the Bonds; and

WHEREAS, after consideration, the Board has determined that the sale of the Bonds to the Underwriter is in the best interests of the District and the residents thereof; and

WHEREAS, pursuant to §32-1-902(3), C.R.S., and §18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, said officials have stated for the record immediately prior to the adoption of this Bond Resolution the fact that they have said interests and the summary nature of such interests and the participation of said officials is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, there has been presented to this meeting of the Board the current forms of the “Financing Documents” as defined hereafter; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the Financing Documents;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the applicable Indenture, and the following capitalized terms shall have the respective meanings set forth below:

Authorized Officer: the person or persons authorized to sign the Indentures and the Bond Purchase Agreement pursuant to the Delegated Authority, and to sign other documents pertaining to the Bonds as provided in this Bond Resolution, which shall be any member of the Board.

Bond Resolution: this resolution which authorizes the issuance of the Bonds, and any amendment or supplement lawfully made hereto.

Capital Pledge Agreement: an agreement entered into between the District, the Pledge District, and the Trustee, pursuant to which the Pledged District pledges its Pledged Fees (as defined in the Indentures) to the payment of the Bonds.

Continuing Disclosure Obligation: an agreement, certificate, or undertaking of the District to provide certain post-issuance information as described in the Limited Offering Memorandum.

Delegated Authority: the authority delegated by this Bond Resolution to any Authorized Officer to sign the Bond Purchase Agreement and to make the following determinations with respect to the Bonds in the Indentures, which determinations shall be subject to the restrictions and parameters set forth below:

- (1) the rate or rates of interest on the Bonds;
- (2) the conditions on which and the prices at which the Bonds may be redeemed before maturity;
- (3) the existence and amount of any capitalized interest or reserve funds;
- (4) the price or prices at which the Bonds will be sold;
- (5) the principal amount and denominations of the Bonds;
- (6) the amount of principal maturing in any particular year; and
- (7) the dates on which principal and interest shall be paid.

The foregoing authority shall be subject to the following restrictions and parameters:

- (1) the interest rate or rates on the Bonds shall be such that the Bonds bear interest at a net effective interest rate which does not exceed 18%;

(2) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the 2005 Election;

(3) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds;

(4) the Bonds shall mature not later than December 31, 2053; and

(5) the aggregate principal amount of the two series of Bonds shall not exceed \$35,000,000, and the allocation of such maximum amount between the Series 2021A(2) Senior Bonds and the Series 2021B(2) Subordinate Bonds shall be as determined pursuant to the Delegated Authority.

Financing Documents: collectively, the Indentures, the Continuing Disclosure Obligation, the Letter of Representations, the Capital Pledge Agreement, and the Bond Purchase Agreement.

Letter of Representations: the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Limited Offering Memorandum: the final version of the Preliminary Limited Offering Memorandum.

Pledge District: Bradley Heights Metropolitan District No. 3, City of Colorado Springs, El Paso County, Colorado, and its successors and assigns.

Preliminary Limited Offering Memorandum: the Preliminary Limited Offering Memorandum dated _____, 2021, concerning the Bonds and the District.

Section 2. Approvals, Authorizations, and Amendments. The Financing Documents are incorporated herein by reference and are hereby approved. All Authorized Officers are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue and secure the Bonds. Such documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Bond Resolution. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution and delivery of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The proper officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District

relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by an Authorized Officer of the District in connection with the issuance, sale, or delivery of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; the 2005 Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of: (i) paying the Project Costs; and (ii) paying issuance and other costs in connection with the Bonds. The Bonds shall constitute limited obligations of the District, as provided in the Indentures. The District hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 4. Bond Details; Delegated Authority. The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by “R-”. The Bonds shall be dated as of the date of issuance, and shall be payable at such time or times, shall be subject to redemption prior to maturity, and otherwise shall be as determined in the Indentures. Pursuant to §11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates the Delegated Authority to an Authorized Officer and authorizes the signing of the Indentures and the Bond Purchase Agreement pursuant thereto.

Section 5. Authorization for Separate Issuances. It is the intent of the District that if practicable, both series of Bonds should be issued and closed on or about the same date; provided however, that nothing herein requires the same, and the authorization herein is intended to authorize the issuance of the Series 2021A(2) Senior Bonds and the Series 2021B(2) Subordinate Bonds independently of each other. Nothing herein is intended to impair, alter, or affect the District’s and the Authorized Officers’ ability to issue one series prior to the other, or to issue only one of the two series.

Section 6. Authorization to Execute Documents. The officers of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Bond Resolution, including but not limited to the execution of such certificates and affidavits as may be reasonably required by the Underwriter.

Section 7. Permitted Amendments to Bond Resolution. The District may amend this Bond Resolution in the same manner and subject to the same terms and conditions as apply to an amendment or supplement to the applicable Indenture.

Section 8. Appointment of District Representative. _____ is hereby appointed District Representative, as defined in the Indentures. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 9. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 10. Acceptance of Bond Purchase Agreement. The Board hereby reaffirms its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and to sell the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement. All Authorized Officers are hereby authorized to execute the Bond Purchase Agreement and to attest to such execution, all on behalf of the District.

Section 11. Limited Offering Memorandum. The Preliminary Limited Offering Memorandum is hereby authorized and approved. The Board hereby authorizes the use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum in connection with the marketing of the Bonds, and the preparation and distribution of a final Limited Offering Memorandum in conjunction with an offer of the Bonds to investors. The final Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. All Authorized Officers are hereby authorized to execute copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum on behalf of the District. *[S&H Note: this paragraph assumes the PLOM has been posted by the time of the meeting; if this is not the case we will revise as necessary and recirculate prior to the Board meeting authorizing the issuance of the Bonds]*

Section 12. Ratification and Approval of Prior Actions. All actions heretofore taken by any Authorized Officer or the officers, agents, attorneys, or employees of the District, not inconsistent with the provisions of this Bond Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 13. Bond Resolution Irrepealable. After any of the Bonds have been issued, this Bond Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged in accordance with the Indentures.

Section 14. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Bond Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 15. Severability. If any section, paragraph, clause, or provision of this Bond Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution, the intent being that the same are severable.

Section 16. Effective Date. This Bond Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ____ day of _____, 2021.

(S E A L)

President or Vice President

ATTESTED:

Secretary or Assistant Secretary

Thereupon, Director _____ moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director _____, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Those voting NAY:

Thereupon the President, as Chairman of the meeting, declared the Bond Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
)
EL PASO COUNTY)
)
BRADLEY HEIGHTS METROPOLITAN)
DISTRICT NO. 2)

The undersigned, as the Secretary or an Assistant Secretary of Bradley Heights Metropolitan District No. 2, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the issuance of its General Obligation Limited Tax Bonds, Series 2021A(2), and its Subordinate General Obligation Limited Tax Bonds, Series 2021B(2), adopted at a _____ meeting of the Board held at _____, in _____, Colorado, on _____, the ____ day of _____, 2021, at the hour of _____.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place, and purpose of the special meeting; and that a notice of meeting, in the form herein set forth at page 1, was posted at one public place within the District (as designated at the District's first regular meeting of the calendar year) not less than 24 hours prior to the meeting, and/or on the District's public website not less than 24 hours prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, as of the ____ day of _____, 2021.

(S E A L)

Secretary or Assistant Secretary