

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO, APPROVING AN EXTENSION OF TIME FOR THE WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 1 TO ISSUE SECOND SUBORDINATE TAX-SUPPORTED REVENUE REFUNDING BONDS, ORIGINALLY REFERED TO AS SERIES 2012C, WITH THE RELATED BOND DOCUMENTS

WHEREAS, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the formation and service plan of the Woodmen Heights Metropolitan Districts No. 1-3 (the "Districts") by Resolution No. 178-04 adopted on August 10, 2004; and

WHEREAS, City Council has subsequently approved an Amended and Consolidated Plan for the Districts ("Service Plan") consistent with the Policy, by Resolution No. 144-07 adopted on August 14, 2007; and

WHEREAS, on October 25, 2005, City Council authorized issuance of Series A bonds in an amount not to exceed \$31,000,000 ("2005 Bonds"), by Resolution No. 195-05 and the District subsequently issued these bonds in an amount of \$29,820,000 on or about November 2005; and

WHEREAS, On February 28, 2012, Woodmen Heights Metropolitan District No. 1 (the "District") was authorized by Resolution No. 38-12 to issue a total of three (3) related bond issues including Series 2012A Senior Tax-Supported Revenue Refunding Bonds (Series A Bonds) for \$6,700,000 at 6.0% interest, Series 2012B Subordinate Convertible Capital Appreciation Tax-Supported Revenue Refunding Bonds (Series B Bonds) for \$24,011,548 at 7.3% interest, and Series 2012C Second Subordinate Tax-Supported Revenue Refunding Bonds (Series C) for \$6,139,878 at 3.0% interest; and

WHEREAS, Section 6 of Resolution No. 38-12 included a provision limiting the City Council's authorization to issue the bond to a one-year period ending on February 28, 2013, after which date, new City Council approval would be required; and

WHEREAS, the District has issued the Series A and Series B Bonds in accordance with prior City Council approval, but has not yet issued the Series C Bonds; and

WHEREAS, both the Policy and the Districts' service plan require that prior to the District issuing bonds, it must first obtain City Council approval of the proposed issue and City Council's review to ensure compliance with the service plan and all applicable laws; and

WHEREAS, the District has experienced delay and has therefore submitted a request to extend the time period for issuance of the Series C Bonds in continued accordance with the various bond documents, including the Bond Resolutions (the "Bond Documents") as originally approved by City Council on February 28, 2012.; and

WHEREAS, City Council considered the recommendation of City staff as well as all other testimony and evidence presented at the February 28, 2012, City Council meeting; and

WHEREAS, it appears to the City Council that the proposed extension of time to issue the Series C Bonds should be approved as provided in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. The proposed bond issues as described in the Bond Documents are hereby approved provided, however, that the bonds shall be solely an obligation of the District, as appropriate, and the City shall have no liability or other responsibility therefore. Receipt of the form disclosure is further acknowledged and approved.

Section 3. The District, having originally stated it is in compliance with the Service Plan, is hereby authorized to issue the Series C bonds in the structure substantially similar and consistent with the Bond Documents, which were approved with Resolution No. 38-12.

Section 4. Without prior approval of City Council, the District is specifically prohibited from assessing future fees on end-user resident property owners for the purpose of servicing this bond issue.

Section 5. As required by the Policy and stipulated in the Service Plan, the Maximum Debt Service Mill Levy Imposition Term for District No. 2 shall be forty (40) years. No debt service mill levy shall be certified for District No. 2 beyond December 31, 2045, until and unless prior City Council approval is granted

Section 6. This approval shall be effective for a maximum of one (1) year from the date of this Resolution. If the District desires to issue these bonds any time after May 27, 2015, a new City Council approval will be required.

Section 7. This resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this 27th day of May, 2014.

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Keith King, Council President

ATTEST:

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Sarah Johnson, City Clerk