

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANDS METROPOLITAN DISTRICTS NOS. 1-3**

**CONCERNING THE APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT
WITH THE CITY OF COLORADO SPRINGS, COLORADO**

WHEREAS, a Consolidated Service Plan for The Sands Metropolitan District Nos. 1, 2 and 3, as well as The Sands Metropolitan District No. 4 (“District No. 4”), dated September 30, 2016 (the “Service Plan”) was approved by the El Paso County Board of County Commissioners on by Resolution No. 16-349, on October 4, 2016, for the purpose of providing certain parameters for the financing, development and administration of certain public facilities, improvements and appurtenances within the area legally permitted to be served by The Sands Districts 1-3, and District No. 4 (collectively, the “Districts”), and the development of the area generally located adjacent to the intersection of Constitution Avenue and Marksheffel Road (The Sands Districts 1-3), and a second parcel located near the intersection of Highway 24 and Highway 94 (District No. 4) (the Districts’ “Service Area”); and

WHEREAS, since the time of the formation of the Districts, Babcock Land Corp. and Lorson South Land Corp., who are the owners/developers of the property located within the boundaries of The Sands Districts 1-3 (collectively, the “Developer”), approached the City, through the City Council of the City (“City Council”), with a proposal to annex to the City the property within The Sands Districts 1-3 (the “Annexation Property”) under that certain Annexation Agreement by and among the City and the Developer; and

WHEREAS, the Developer organized the Districts in order to undertake that portion of the design, construction, installation, acquisition, funding, operations and maintenance of public improvements which the Districts are allowed to perform under Title 32 of the Colorado Revised Statutes and under the Service Plan, and it is contemplated that the Annexation Agreement with the City will further such efforts in connection with the public improvements within the Annexation Property; and

WHEREAS, the City and The Sands Districts 1-3 have determined it to be in the best interests of their respective taxpayers, residents and property owners to clearly set forth the rights and responsibilities of the Parties with respect to the Annexation Property and agreed to execute an intergovernmental agreement to provide for change of approval authority, maximum mill levy limitations less than provided in the original service plan and restrictions on eminent domain as provided in the attached Intergovernmental Agreement (*see attached*); and

WHEREAS, upon approval of the annexation of the Property within District Nos. 1-3 to the City, the terms and conditions of the Intergovernmental Agreement will be effective and apply to all property annexed to the City; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SANDS METROPOLITAN DISTRICT NOS. 1-3 RESOLVES AS FOLLOWS:

1. The District’s legal counsel, manager, and financial consultants are hereby directed to take such action as necessary to execute and implement the terms and conditions of

the Intergovernmental Agreement upon successful completion of the annexation of the property to the City of Colorado Springs.

2. The District's legal counsel, manager, and financial consultants are hereby directed to take such action as necessary to refine and adjust the mill levies and powers and authorities of District Nos. 1-3 consistent with the IGA upon its effective date and upon completion of the annexation to the City.

3. This Resolution is conditioned and contingent upon the annexation of the Property to the City of Colorado Springs, Colorado. Should annexation not be completed or effective, the District Nos. 1-3 shall have the ability to rescind this Resolution and revert back to those limitations provided in the Service Plan, as amended.

4. The District's Board of Directors hereby ratify, affirm, and approve all actions taken to date by the District's legal counsel, manager, and financial consultants related to the Service Plan and the annexation of the property to the City of Colorado Springs and to submit any necessary filings or amendments necessary to accomplish the objectives of this Resolution and to comply with the Intergovernmental Agreement with the City of Colorado Springs.

5. The District's Board of Directors shall reaffirm with the owner of the Property their limitations and to the extent possible and permissible, shall coordinate efforts with the Property owner/builder on amendments and changes necessary to make the limitation of the mill levy permanent as soon as practical and possible after effective date of the annexation.

I hereby affirm that the Board meeting of District Nos. 1-3 was validly called and this resolution and the Intergovernmental Agreement was ADOPTED AND APPROVED the 6th DAY OF June, 2018.

**THE SANDS
METROPOLITAN DISTRICT NOS. 1-3**



S. Alan Vancil, Secretary

EXHIBIT A

Copy of Intergovernmental Agreement with the City of Colorado Springs