

RESOLUTION NO. _____-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF A LIMITED TAX GENERAL OBLIGATION AND LOAN BY THE GOLD HILL MESA METROPOLITAN DISTRICT NO. 2

WHEREAS, by Resolution No. 9-06, 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 original formation and service plan (the "Service Plan") for the Gold Hill Mesa Metropolitan Districts Nos. 1-3 (the "Districts") by Resolution No. 197-04 adopted on September 14, 2004; and

WHEREAS, City Council subsequently approved an Amended and Consolidated Plan for the Districts consistent with the Policy, by Resolution No. 99-06 adopted on July 11, 2006; and

WHEREAS, both the Policy and the Service Plan require that prior to the District issuing bonds or similar indebtedness, it must first obtain City Council approval of the proposed issue and that City Council must review such indebtedness for compliance with the Service Plan and all applicable laws; and

WHEREAS, On July 26, 2011, City Council authorized Gold Hill Mesa Metropolitan District No.2 ("the District") to issue bonds and loans in an aggregate amount of up to \$9,460,000 by Resolution No. 127-11, and the District subsequently issued debt on September 16, 2011 in the form of Series 2011A and B senior Promissory Notes ("2011A and B Notes" and Series 2011C and D Subordinate Tax-Supported Revenue Bonds ("2011 C and D Bonds"); and

WHEREAS, the District has submitted for review, and City Council has reviewed, various related debt instrument documents, including a draft copy of a Loan Agreement authorizing a Series 2016 tax-exempt loan in a principal amount of up to \$6,360,000 ("Loan Agreement"), a preliminary opinion of the District's general counsel, and a preliminary opinion of an external financial advisor (the "Loan Agreement Documents"); and

WHEREAS, the proceeds of the 2016 loan will be used to refinance the Series 2011A and B Notes to pay down a portion of the 2011 Series D Bond and to fund other contractual obligations of the District; and

WHEREAS, City Council considered the Loan Agreement Documents as well as all other testimony and evidence presented at the December 8, 2015 City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Service Plan prerequisites, requests approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Loan Agreement.

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. In reliance on the information presented by the District, Council hereby finds that the issuance of indebtedness by the District in a structure substantially similar to and consistent with the Loan Agreement complies with the Service Plan and all applicable laws.

Section 3. The Loan Agreement authorizing a loan in the principal amount of up to \$6,360,000 as described in the Loan Agreement Documents is hereby approved provided, however, that the indebtedness evidenced by the Loan Agreement Documents shall be solely an obligation of the District, and the City shall have no liability or other responsibility therefore.

Section 4. The issuance of debt in a structure substantially similar to and consistent with the Loan Agreement Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 5. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution. If the District desires to issue this debt/close on this loan any time after December 8, 2016 a new City Council approval will be required.

DATED at Colorado Springs, Colorado, this 8th day of December 2015.

Council President

ATTEST:

Sarah Johnson, City Clerk