

Butler Snow Draft 7.29.2020

This draft assumes the bonds are investment grade rated and insured.

If not, minimum denominations will be \$100,000 and bonds will need to be sold to financial intuitions/accredited investors. The need for a reserve fund or surplus fund will be determined as the result of rating/bond insurance decision.

INDENTURE OF TRUST

Between

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1.
IN THE CITY OF COLORADO SPRINGS, COLORADO**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee**

RELATING TO:

\$_[_____]

GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2020

Dated as of [Closing Date], 2020

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EXHIBIT A FORM OF BONDS

This **INDENTURE OF TRUST**, dated as of [Closing Date], 2020 (this “Indenture”), is entered into by and between **ALLISON VALLEY METROPOLITAN DISTRICT NO. 1** (in the City of Colorado Springs, Colorado) a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “District”), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, authorized to accept and execute trusts of the character herein set out, having an office in Denver, Colorado, as trustee (the “Trustee”).

RECITALS.

WHEREAS, capitalized terms used but not otherwise defined in these Recitals shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS the District is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, C.R.S.; and

WHEREAS, the District was organized by Order and Decree of the District Court for El Paso County, Colorado issued on December 5, 2006; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, November 3, 2015 (the “2015 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2015 Election voted in favor of, inter alia, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, as follows:

BALLOT ISSUE 5A

Debt for street purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND

PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5B

Debt for water purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND

CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5C

Debt for sanitation purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF

THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5D

Debt for safety protection purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH

TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5E

Debt for park and recreation purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL FACILITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES, AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE

PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5F

Debt for mosquito control purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL

OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5G

Debt for television relay and translation purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE

DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5H

Debt for transportation purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000; AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO

ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

BALLOT ISSUE 5I

Debt for refunding purposes:

SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 DEBT BE INCREASED \$30,000,000, WITH A REPAYMENT COST OF \$120,000,000, AND SHALL ALLISON VALLEY METROPOLITAN DISTRICT NO. 1 TAXES BE INCREASED \$35,400,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST RATE MAY BE THE SAME AS OR HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED, BUT NOT IN EXCESS OF A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18%, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

; and

WHEREAS, the returns of the 2015 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2015 Election was certified by the District by certified mail to the City Council of the City and the division of securities created by C.R.S. § 11-51-701, within forty five days after the 2015 Election; and

WHEREAS, the 2015 Election limits the maximum annual repayment cost for debt issued pursuant to each ballot question set forth above to \$35,400,000 and the total repayment cost for such debt to \$ 120,000,000; and

WHEREAS, pursuant to the 2015 Election, the District has previously (a) issued its (i) not to exceed \$10,000,000 2017A Limited Tax General Obligation Note (the “2017A Note”) evidencing the 2017A Limited Tax General Obligation Loan (the “2017A Loan”) made by Vectra Bank Colorado, National Association (“Vectra”); (ii) not to exceed \$10,000,000 General Obligation Note (the “2017B Note” and, together with the 2017A Note, the “2017 Notes”) evidencing the 2017B Limited Tax General Obligation Loan (the “2017B Loan” and, together with the 2017A Loan, the “2017 Loans”) made by Vectra and (b) entered into a Loan Agreement with Vectra dated April4, 2017, as amended (the “2017A Loan Agreement”) and into a Loan Agreement with Vectra dated October 2, 2019, as amended (the “2017B Loan Agreement” and together with the 2017A Loan Agreement, the “2017 Loan Agreements”); and

WHEREAS, Vectra is the sole owner of the 2017 Loans and Vectra has waived the prepayment conditions under the 2017 Loan Agreements and provided its consent to the refunding of the 2017 Loans upon payment of the principal amount thereof and accrued interest due thereon plus a premium equal to _% of the outstanding principal balance of the 2017 Loans; and

WHEREAS, the District has determined that it is in the best interest of the District and its residents and taxpayers to prepay on the earliest possible date all of the currently outstanding 2017 Loans; and

WHEREAS, none of the 2017 Loans have heretofore been refunded, nor have any of the same been redeemed or otherwise paid, cancelled, or retired by the District; and

WHEREAS, after extended discussions and consultation, it has been determined by the Board of Directors of the District (the “Board”) that by refunding the 2017 Loans at this time, the Board can reduce interest costs or effect other economies; and

WHEREAS, the District has previously entered into agreements with property owners in the District pursuant to which the District has agreed to reimburse such owners for the costs of infrastructure installed by such property owners and conveyed to the District (the “Reimbursement Obligations”); and

WHEREAS, the Board has determined that it is in the best interests of the District, and the residents and taxpayers thereof, that the 2017 Loans be refunded and the Reimbursement Obligations be paid by the issuance of the District’s General Obligation Limited Tax Refunding Bonds, Series 2020 (the “2020 Bonds”); and

WHEREAS, the Board specifically elects to apply all of the provisions of Supplemental Act, to the Bonds; and

WHEREAS, the net effective interest rate of the 2020 Bonds is lower than the net effective interest rate on the Refunded Loans, and thus a portion of the 2020 Bonds are being

issued for the purpose of refinancing District bonded debt at a lower interest rate and are permitted to be issued by Article X, Section 20 of the Colorado Constitution without utilization of electoral authorization; and

WHEREAS, that portion of the 2020 Bonds being issued to pay the Reimbursement Obligations is being issued pursuant to the 2015 Election authorization; and

WHEREAS, based on the foregoing, and based upon the anticipated uses of the proceeds of the Bonds, the Board hereby determines to allocate the principal amount thereof to the authorized but unissued indebtedness from the 2015 Election in accordance with the following; provided that such allocation is based upon the Board’s estimates of the use of proceeds at the time of issuance of the Bonds, that actual uses of proceeds may vary from this estimate within the limitations of the 2015 Election, and that such variance shall not require an amendment to this Indenture or notice to or consent of any person:

<u>Purpose</u>	<u>Voted in 2015 Election</u>	<u>Allocations to Refunded Loans</u>	<u>Allocations to Series 2020 Bonds</u>	<u>Remaining</u>
Streets	\$30,000,000			
Water	\$30,000,000			
Sanitation	\$30,000,000			
Safety Protection	\$30,000,000			
Parks and Rec	\$30,000,000			
Mosquito Control	\$30,000,000			
Television Relay	\$30,000,000			
Transportation	\$30,000,000			
Refunding	\$30,000,000			
TOTAL				

WHEREAS, the proceeds derived from the sale of the Bonds shall be used to finance the costs of the Refunding Project; and

WHEREAS, the Bonds shall be limited mill tax obligations of the District payable from the Pledged Revenue as provided herein; and

WHEREAS, the Bonds shall be issued pursuant to the provisions of the Act, the Supplemental Act, the 2015 Election, the Service Plan and all other laws thereunto enabling; and

WHEREAS, in particular, the Board hereby determines that the issuance of the Bonds is in compliance with the Service Plan including the following limits: the aggregate Debt issued by the District and Allison Valley Metropolitan District No. 1 shall not exceed \$30,000,000 except for the principal amount of debt issued for the purpose of refunding or refinancing lawfully issued debt; the maximum mill levy that may be imposed by the District to pay debt service may not exceed 30 mills provided that if, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to debt may be increased or decreased to reflect such changes; the District may not impose a debt service mill levy which exceeds 40 years after the year of the initial imposition of a debt service mill levy; all District bonds or other debt instrument, if not rated as investment grade, must be issued in minimum denominations of

\$100,000 and sold only to either accredited investors as defined in rule 501 (a) promulgated under the Securities Act of 1933 or to the developer(s) of property within the District; the net effective interest rate on any District debt may not exceed 18% and the maximum underwriter's discount may not exceed 5%; and the issuance of all bonds or other debt instruments of the District are subject to the approval of the City Council; and

WHEREAS, the issuance of the Bonds will not cause the District to exceed the maximum general obligation indebtedness authorized by Colorado law because the Bonds are rated four highest investment grade rating categories by one or more nationally recognized organizations which regularly rate such obligations and will not be applied against the limit on general obligation indebtedness of the District imposed by C.R.S. § 32-1-1101(6)(a); and

WHEREAS, the Bonds are rated in four highest investment grade rating categories by one or more nationally recognized organizations which regularly rate such obligations and as such the Bonds will be exempt from registration under the Colorado Municipal Bond Supervision Act constituting Title 11, Article 59, Part 1, C.R.S.; and

WHEREAS, the District has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, the valid obligations of the District, and to make this Indenture a valid agreement of the District, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on Bonds at any time Outstanding under this Indenture, on a parity with the Parity Bonds, if any, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds, the Bond Resolution (as herein defined), and this Indenture of Trust, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant to the Trustee, and to its successors in trust, and to them and their assigns forever, the following (said property being herein referred to as the "Trust Estate"):

GRANTING CLAUSE FIRST:

The Pledged Revenue, the Bond Fund, the Reserve Fund, the Surplus Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of this Indenture (except the Rebate Fund), and a security interest therein on a parity with the Parity Bonds; and

GRANTING CLAUSE SECOND:

All right, title, and interest of the District in any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the District as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, as their respective interests may appear; and the property granted herein is also granted for the equal benefit, of all present and future Owners of the Bonds as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds;

PROVIDED, HOWEVER, that if the District, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the Special District Act, Title 32, Article 1, C.R.S., as amended.

“*Additional Bonds*” means all debt or other financial obligations of the District payable from or constituting a lien or encumbrance upon any part of the Pledged Revenue.

“*Authorized Denominations*” means the amount of \$5,000 at the applicable date of purchase or transfer of such Bond, or any integral multiple thereof.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Board*” means the Board of Directors of the District.

“*Bond Counsel*” means the law firm of Butler Snow LLP, Denver, Colorado, or any other person or firm of which such a person is a member acceptable to and selected by the District, which is: (a) authorized in any state to practice law and (b) nationally recognized municipal bond counsel experienced in the issuance of opinions regarding the tax exempt status of municipal bonds.

“*Bond Fund*” means a special fund designated the “Allison Valley Metropolitan District No. 1, General Obligation Limited Tax Refunding Bonds, Series 2020, Bond Fund” established by the provisions hereof for the purpose of paying the principal of, premium if any, and interest on the Bonds.

“*Bond Resolution*” means the resolution adopted by the Board on _____, 2020, authorizing the issuance of the Bonds and the execution of this Indenture, certified by the Secretary or an Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements duly made thereto.

“*Bond Year*” means the period from December 2 of any calendar year to December 1 of the following calendar year.

“*Bonds*” or “*2020 Bonds*” means the District’s General Obligation Limited Tax Refunding Bonds, Series 2020, issued pursuant to this Indenture, issued for the purpose of refunding all of the currently outstanding 2017 Loans.

“*Business Day*” means a day on which the Trustee, or banks or trust companies in Denver, Colorado, or in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*Cede*” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“*Certified Public Accountant*” means an independent certified public accountant within the meaning of C.R.S. § 12-2-115, and any amendment thereto, licensed to practice in the State.

“*City*” means the City of Colorado Springs, Colorado.

“*Code*” means the Internal Revenue Code of 1986, as amended to the date of issuance of the 2020 Bonds.

“*Counsel*” means a person, or firm of which such a person is a member, authorized in any state to practice law.

“*County*” means El Paso County, Colorado.

“*Debt to Assessed Ratio*” means the ratio derived by dividing the then outstanding principal amount of all general obligation debt of the District by the most recent December 10 certified assessed valuation of the taxable property in the District, as such assessed valuation is certified from time to time by the County Assessor of the County.

“*Depository*” means any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

“*District*” means Allison Valley Metropolitan District No. 1, in the City of Colorado Springs, Colorado.

“*District Manager*” means the manager of the District or his or her successor.

“*District Representative*” means the President, District Manager, or any other person or persons at the time designated to act on behalf of the District by the Bond Resolution or by a written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

“*DTC*” means the Depository Trust Company, New York, New York, and its successors and assigns.

“*Event of Default*” means any one or more of the events set forth in Section 8.01 of this Indenture.

“*Federal Securities*” means direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of, premium, if any, and interest on which are unconditionally guaranteed by, the United States of America.

“*Fiscal Year*” means the 12-month period ending December 31 of each calendar year.

“*Indenture*” means this Indenture of Trust, as the same may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

“*Insurance Policy*” means the municipal bond new issue insurance policy issued by the Insurer that guarantees payment of principal of and interest on the Bonds when due.

“*Insurer*” means _____, or any successor thereto or assignee thereof, as issuer of the Insurance Policy.

“*Letter of Representations*” means the blanket issuer letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“*Maximum Debt Mill Levy Imposition Term*” the later of December 31, 2056 which is a date 40 years after the year of the initial imposition of the District's debt service mill levy which was 2016 or such later date as approved by the City Council by an amendment to the Service Plan.

“*Moody's*” means Moody's Investors Service, Inc.

“*Official Statement*” means the final Official Statement relating to the offer and sale of the Bonds.

“*Outstanding*” or “*Outstanding Bonds*” means as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

“*Owner*” means the registered owner of any Bond, as shown by the registration books maintained by the Trustee.

“*Parity Bonds*” means bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District, and will not be issued under this Indenture.

“*Participants*” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

“*Paying Agent*” means Zions Bancorporation, National Association, in Denver, Colorado, or its successor, which shall perform the function of paying agent with respect to the Bonds as provided in this Indenture.

“*Permitted Investments*” means, any lawful investment permitted for the investment of funds of the District by the laws of the State.

“*Pledged Revenue*” means the moneys derived by the District from the following sources, after payment of any costs of collection:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and
- (c) any other legally available moneys which the Board determines to pledge to the Bond Fund.

“*Policy Costs*” means repayment of draws under the Reserve Fund Insurance Policy, if any, plus all related reasonable expenses incurred by the Surety Provider, plus accrued interest thereon, or any similar costs related to a reserve fund insurance policy for Parity Bonds.

“*President*” means the Chairman of the Board of Directors and President of the District or his or her successors.

“*Rebate Fund*” means a special fund designated as the “Allison Valley Metropolitan District No. 1 General Obligation Limited Tax Refunding Bonds, Series 2020, Rebate Fund” established by the provisions hereof for the purposes set forth in Section 6.02.

“*Record Date*” means the fifteenth (15th) day of the calendar month next preceding each interest payment date, whether or not a Business Day.

“*Redemption Date*” means the earliest date pursuant on which the Refunded Loans may be prepaid.

“*Refunded Loans*” means all of the 2017 Loans.

“Refunding Project” means refinancing the Refunded Loans, the payment of unpaid Reimbursement Obligations, the funding of capitalized interest or reserve funds, if required, and the payment of the costs of issuance of the Bonds.

“Reimbursement Obligations” means amounts payable by the District under agreements with property owners in the District pursuant to which the District has agreed to reimburse such owners for the costs of infrastructure installed by such property owners and conveyed to the District.

“Required Mill Levy” means, with respect to the Bonds:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable real and personal property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same becomes due and payable, and to replenish the Reserve Fund in the amount of the Reserve Fund Requirement, but not in excess of 32.952 mills as adjusted as provided below or such lesser mill levy which, when combined with other Pledged Revenue then held in the Bond Fund, will permit the District to fully fund the Bond Fund for the next Bond Year and pay the Bonds as they come due; provided however, that in the event the method of calculating assessed valuation is changed after the date of delivery of the Bonds, the minimum and maximum mill levies provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and

(b) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

“Reserve Fund” means a special fund designated as the “Allison Valley Metropolitan District No. 1, General Obligation Limited Tax Refunding Bonds, Series 2020, Reserve Fund” established by the provisions of this Indenture for the purposes set forth in Section 3.06 hereof, which Reserve Fund is for the benefit of the Owners of the 2020 Bonds only and shall not apply to Parity Bonds hereafter issued.

“Reserve Fund Insurance Policy” means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

“Reserve Fund Requirement” means, with respect to the 2020 Bonds, [the least of (i) 10% of the proceeds of the Bonds, (ii) the maximum annual principal and interest payable with

respect to the Bonds, or (iii) 125% of the average annual principal and interest payable with respect to the Bonds.] The Reserve Fund secures only the 2020 Bonds, and any Parity Bonds hereafter issued may or may not be secured by a reserve fund as required by a resolution or indenture authorizing the issuance of such Parity Bonds.

“*Secretary*” means the Secretary of the District or his or her successor.

“*S&P*” means Standard and Poor’s Rating Group, a division of the McGraw-Hill Companies, Inc.

“*Service Plan*” means the Amended and Restated Consolidated Service Plan for the Allison Valley Metropolitan District No. 1 and Allison Valley Metropolitan District No. 2 approved by the City Council of the City on September 8, 2015.

“*Special Record Date*” means the record date for determining Bond ownership for purposes of paying accrued but unpaid interest, as such date may be determined pursuant to this Indenture.

“*Specific Ownership Tax*” means the specific ownership tax that is collected by the County and remitted to the District pursuant to §42-3-107, C.R.S., or any successor statute.

“*State*” means State of Colorado.

“*Subordinate Bonds*” means bonds, notes, debentures, or other financial obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds issued pursuant to Section 4.05 hereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures or other documents as may be determined by the District, and will not be issued under this Indenture.

“*Supplemental Act*” means the “Supplemental Public Securities Act”, being Title 11, Article 57, Part 2, C.R.S.

“*Surety Provider*” means the Insurer or any other entity issuing a Reserve Fund Insurance Policy with respect to the Bonds.

“*Surplus Fund*” means a special fund designated as the “Allison Valley Metropolitan District No. 2, 2020 Bonds, Surplus Fund” established by the provisions of this Indenture for the purposes set forth in Section 3.07 hereof, which Reserve Fund is for the benefit of the Owners of the 2020 Bonds only and shall not apply to Parity Bonds hereafter issued

“*Surplus Fund Maximum Amount*” means \$[_____].

“*Tax Certificate*” means the certificate to be signed by the District relating to the requirements of Sections 103 and 141 to 150 of the Code applicable to the 2020 Bonds.

“*Treasurer*” means the Treasurer of the District or his or her successor.

“*Trust Estate*” means the moneys, securities, contracts, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses hereof.

“*Trustee*” means ZIONS BANCORPORATION, NATIONAL ASSOCIATION, in Denver, Colorado, or its successor, which shall perform the function of trustee, paying agent and registrar with respect to the Bonds.

“*Underwriter*” means RBC Capital Markets, LLC, the original purchaser of the Bonds.

“*Vectra*” means Vectra Bank Colorado, National Association.

“*2015 Election*” means the election held within the District on November 3, 2015.

“*2017 Loan Agreements*” means collectively the Loan Agreement dated April 4, 2017, as amended, between the District and Vectra, acting as lender, and the Loan Agreement with Vectra dated October 2, 2019, as amended, between the District and Vectra, acting as lender.

“*2017 Loans*” means, collectively, the 2017A Loan and the 2017B Loan.

“*2017 Notes*” means, collectively, the 2017A Note and the 2017B Note.

“*2017A Loan*” means the not to exceed \$10,000,000 2017A Limited Tax General Obligation Loan, as evidenced by the 2017A Note.

“*2017A Note*” means the Allison Valley Metropolitan District No. 1 not to exceed \$10,000,000 2017A Limited Tax General Obligation Note.

“*2017B Loan*” means the not to exceed \$10,000,000 2017B Limited Tax General Obligation Loan, as evidenced by the 2017B Note.

“*2017B Note*” means the Allison Valley Metropolitan District No. 1 not to exceed \$10,000,000 2017B Limited Tax General Obligation Note

Section 1.02 Interpretation. In this Indenture, unless the context otherwise requires:

(a) the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar term, refer to this Indenture as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of this Indenture, the term “now” means at the date of execution of this Indenture, and the term “hereafter” means after the date of execution of this Indenture;

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word “person” or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Indenture;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(e) all exhibits referred to herein are incorporated herein by reference.

Section 1.03 Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (i) the principal of, premium, if any, and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (ii) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

Section 1.04 Certificates and Opinions.

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of any specified person it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the District may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District stating that the information with respect to such factual matters is in the

possession of the District, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

Section 1.05 Acts of Owners.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Owners may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Owner in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the District. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in subsection (b) hereof shall be sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the District.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Owners with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive and binding upon all present and future Owners if the Owners with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Owner (notwithstanding whether such action was also taken by any other Owner) shall bind the Owner with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

Section 1.06 Indenture to Constitute Contract. This Indenture shall constitute a contract among the District, the Trustee, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding.

ARTICLE II

THE 2020 BONDS

Section 2.01 Authorization, Terms, Payment, and Form of Bonds.

(a) **Authorization.** In accordance with the Constitution of the State; the Supplemental Act; the Act; the 2015 Election; the Service Plan; and all other laws of the State thereunto enabling, there shall be issued the 2020 Bonds for the purposes hereinafter stated.

The aggregate principal amount of the 2020 Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed \$ _____ except as provided in Sections 2.06 and 2.09 hereof.

(b) **Bond Details.** The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the 2020 Bonds shall be numbered separately from 1 upward, with the number of each 2020 Bond preceded by “R-”. The 2020 Bonds shall be dated as of their date of delivery, shall bear interest at the rates per annum set forth below (calculated based on a 360-day year of twelve 30 day months) payable semiannually on each June 1 and December 1 commencing on December 1, 2020, and shall mature on December 1 of the years and in the principal amounts, as follows:

2020 Bonds

Principal Amount	Maturity Date	Interest Rate
\$	12/1/20[]	[]%
	12/1/20[]	[]%

(c) **Maximum Rates.** The maximum net effective interest rate authorized for the Bonds is 18.00% pursuant to the 2015 Election, and the actual net effective interest rate of the Bonds does not exceed such maximum rates.

(d) **Principal and Interest.** The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such accrued but unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the accrued but unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than 10 days prior to the Special Record Date by first class mail to each such Owner as shown on the

registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such accrued but unpaid interest.

(e) ***Interest Payments.*** Interest payments shall be paid by check, draft or wire of the Trustee sent on or before the interest payment date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the District shall not be required to make funds available to the Trustee prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

(f) ***Overdue Payments.*** To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date for the Bonds, at the rate then borne by the Bond; provided, however, that, notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

(g) ***Form of Bonds.*** Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in **Exhibit A** attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02 Purpose of Issuance of Bonds. The 2020 Bonds are being issued for the purpose of: (a) paying the costs of the Refunding Project; (b) funding the Reserve Fund; and (c) paying the costs of issuing the 2020 Bonds.

Section 2.03 Trustee as Paying Agent and Bond Registrar.

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The District shall cause the Underwriter to provide the Trustee with an initial registry of the Owners within a reasonable time prior to delivery of the Bonds. The District shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the District.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively “transfer”) the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Midwest Stock Exchange, New York Stock Exchange, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) If requested by the Trustee, the District shall furnish the Trustee with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the District in the manner set forth herein.

(e) In the event the District receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

Section 2.04 Execution of Bonds; Signatures. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the President or Vice President of the District, sealed with a manual impression or facsimile of its corporate seal, and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the District. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the District before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the District, as though the person or persons who signed such Bonds had remained in office.

Section 2.05 Persons Treated as Owners. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Trustee shall be affected by notice to the contrary.

Section 2.06 Lost, Stolen, Destroyed, or Mutilated Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, provide indemnification, and present such proof of ownership and loss as may be required

or permitted by applicable law, or in the absence of specific requirements, as may be required by the Trustee. If mutilated, (a) the District shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07 Delivery of Bonds. Upon the execution and delivery of this Indenture, the District shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, directed by the District and in accordance with a written certificate of the District. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the District as to the names of the purchasers and the amount of such purchase price.

Section 2.08 Trustee's Authentication Certificate. The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit A attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09 Registration, Exchange, and Transfer of Bonds.

(a) The Trustee shall act as bond registrar and maintain the books of the District for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity and interest rate of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which

the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The District and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.10 Non-presentment of Bonds. If any Bond is not presented for payment when due, whether at maturity or on redemption prior to maturity, and if the Trustee holds moneys sufficient to pay the then current principal amount due on such Bond for the benefit of the Owner thereof, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall be restricted exclusively to such moneys for any claim of whatever nature on his part under this Indenture or on or with respect to such Bond. Moneys so held but unclaimed by an Owner shall be transferred to the District after the expiration of four (4) years or, upon receipt by the Trustee of an opinion of Bond Counsel that such funds may be released to the District on an earlier date, on such earlier date designated by the District.

Section 2.11 Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.12 Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the District nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning

any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective Counsel duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No Person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the District determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III

REVENUES AND FUNDS

Section 3.01 Source of Payment of Bonds. The Bonds shall constitute limited tax obligations of the District as provided herein. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien (but not necessarily an exclusive such lien) upon the Pledged Revenue on a parity with any Parity Bonds hereafter issued.

Under no circumstances shall the Bonds be held to be an indebtedness, an obligation or a liability of the City in any manner, and the City is not liable for payment of the principal of, premium if any, and interest on the Bonds. The faith and credit of the City is not pledged to the repayment of the Bonds.

Section 3.02 Creation of Funds and Accounts. There are created and established the following funds and accounts, which shall be held and maintained by the Trustee in accordance with the provisions of this Indenture:

- (a) the Bond Fund;
- (b) the Reserve Fund; and
- (c) the Surplus Fund.

Section 3.03 Initial Credits. On or before the date of issuance of the Bonds, the District shall transfer \$_____ to the Trustee. Immediately upon issuance of the 2020 Bonds and from the proceeds thereof, and after the payment of the Underwriter's discount, the Underwriter shall transfer to the Trustee the remaining proceeds of the 2020 Bonds. Upon receipt of the foregoing amounts, the Trustee credit such amounts as follows:

- (a) to Vectra the amount of \$[_____] to prepay the Refunded Loans; and
- (b) to the Insurer, an amount of \$[_____] representing the premium required to acquire the Insurance Policy and the Reserve Fund Insurance Policy; and
- (c) to the District to pay the costs of issuance of the 2020 Bonds.

Section 3.04 Flow of Funds. The District shall deposit Pledged Revenue with the Trustee in amounts sufficient to make the payments and accumulations provided in this Section, and the Trustee shall apply the Pledged Revenue in the following order of priority (credits to more than one fund, account or purpose required at any single level are *pari passu* with each other):

FIRST, to the credit of the Bond Fund, the amounts required by Section 3.05 hereof and to the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on the Bonds and/or any Parity Bonds issued pursuant to the terms of a separate indenture, the amounts required by such indentures or other enactment authorizing the issuance of such Parity Bonds;

SECOND: to the credit of the Reserve Fund for the 2020 Bonds, the amounts required by Section 3.06 hereof and to the credit of any other similar fund or account established to secure payment of the principal of, premium, if any, and interest on any Parity Bonds issued pursuant to the terms of a separate indenture, the amounts required by such indentures or other enactment authorizing the issuance of the Parity Bonds;

THIRD: to the credit of the Surplus Fund and any similar surplus fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bonds, until the Surplus Fund Maximum Amount and any surplus fund maximum amount established for Parity Bonds is met, the amount necessary for the balance on deposit in the Surplus Fund to equal the Surplus Fund Maximum Amount, and for amounts on deposit in any similar account securing Parity Bonds to equal the required maximum amount. Once the Surplus Fund Maximum Amount is met, no additional deposits shall be made at THIRD unless required by provisions of a supplement to this Indenture or the Future Transaction Documents for any Parity Bonds;

FOURTH: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by such indentures or other enactment authorizing the issuance of the Subordinate Bonds; and

FIFTH: All Pledged Revenue remaining after the payments and accumulations set forth in FIRST through FOURTH above shall be credited to any other fund or account as may be designated by the District to be used for any lawful purpose.

Section 3.05 Bond Fund.

(a) There shall be credited to the Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms hereof), will be sufficient to pay the principal of, premium if any, and interest on the Bonds which has or will become due in the Bond Year in which the credit is made.

(b) Moneys in the Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds, in the following order:

(i) First, to the payment of interest due in connection with the Bonds ((including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

(ii) Second, to the extent any moneys are remaining in the Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

(c) In the event that available moneys in the Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) are insufficient for the payment of the principal of, premium if any, and interest due on the Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

(i) First, the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond.

(ii) Second, the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts, such payments to be in increments of \$5,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Bonds the principal of which is due and owing on the due date.

Section 3.06 Reserve Fund. Moneys, if any, in the Reserve Fund are to be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of or interest on the 2020 Bonds, and the Reserve Fund is pledged to the payment of the 2020 Bonds for such

purpose. Upon delivery of the 2020 Bonds, the Reserve Fund Requirement shall be met by the issuance of a Reserve Fund Insurance Policy by the Surety Provider. Any Reserve Fund Insurance Policy shall be held by the Trustee. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund shall be valued at the amount available to be drawn or otherwise paid pursuant to such Reserve Fund Insurance Policy at the time of calculation. The Trustee shall maintain adequate records as to the amount available to be drawn at any time under the Reserve Fund Insurance Policy and as to the amounts, of which it has knowledge, of Policy Costs paid and owing to the Surety Provider. Such records shall be open to inspection and verification by the Surety Provider during business hours of the Trustee.

In the event the amounts credited to the Bond Fund are insufficient to pay the principal of, premium if any, or interest on the 2020 Bonds when due, the Trustee shall transfer from the Reserve Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund will be sufficient to make such payments when due. In the event that moneys in the Reserve Fund together with moneys in the Bond Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Reserve Fund to the Bond Fund for the purpose of making partial payments as provided herein.

Thereafter, and concurrently with any payments required to be made pursuant to any indenture relating to Parity Bonds, with respect to any reserve funds which may be, but are not required to be, established thereby and concurrently with any repayment or similar obligations payable to any surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds, from Pledged Revenue there shall be credited to the Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement, such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Reserve Fund Requirement by not more than 12 such monthly payments.

If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence shall be paid by the District first to the Surety Provider to reimburse it for Policy Costs due and owing and second to replenish cash in the Reserve Fund. If there is insufficient Pledged Revenue to comply with the requirements of the first sentence of this paragraph, available Pledged Revenue shall be credited or paid to the Reserve Fund and to reserve funds which may be established with respect to any Parity Bonds (or to the Surety Provider or any other surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds) pro rata, based upon the aggregate principal amount of the Outstanding Bonds and any such Parity Bonds then outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph. If there is insufficient Pledged Revenue to comply with the requirements of the first sentence of this paragraph and more than one Reserve Fund Insurance Policy is on deposit in the Reserve Fund, available Pledged Revenue credited to or paid to the Reserve Fund shall be applied to reimburse the Surety Provider and any other surety provider providing a Reserve Fund Insurance Policy pro rata, based upon the original amount available to be drawn on each. The Reserve Fund Requirement shall be accumulated and, if necessary, re-accumulated from time to time, in the Reserve Fund from Pledged Revenue, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be

used, only to prevent deficiencies in the payment of the principal of and interest on the Bonds Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such principal and interest as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys and/or the Reserve Fund Insurance Policy therein equal not less than the Reserve Fund Requirement and there are no Policy Costs due and owing.

The District may, with the prior written consent of the Insurer for so long as the Insurance Policy is in effect and the Insurer is not in default thereunder, at any time substitute (a) cash or Investment Securities for a Reserve Fund Insurance Policy or (b) a Reserve Fund Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Reserve Fund after such substitution is at least equal to the Reserve Fund Requirement. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be deposited by the District in the Reserve Fund for such substitution unless the District has received an opinion of Bond Counsel to the effect that such substitution and the intended use by the District of the cash or Investment Securities to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2020 Bonds.

Notwithstanding anything to the contrary herein, the District's obligations under the Reserve Fund Policy shall be governed by the Debt Service Reserve Agreement between the District and the Insurer.

Section 3.07 Surplus Fund.

(1) The Surplus Fund shall be established and maintained and administered by the Trustee in accordance with this Section.

(2) The Surplus Fund shall not be funded with Bond proceeds, but shall be funded solely from deposits of Pledged Revenue as provided in Section 3.04 THIRD hereof, and except to the extent Pledged Revenue is available under such Section 3.04 THIRD, the District has no obligation to fund the Surplus Fund in any amount. The sum of the amounts on deposit in the Surplus Fund shall not exceed the Surplus Fund Maximum Amount.

(3) In the event the amounts credited to the Bond Fund (not including amounts to be transferred thereto from the Project Fund or from the Reserve Fund) are insufficient to pay the principal of, premium if any, or interest on the Bonds when due, the Trustee shall transfer from the Surplus Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund (prior to any transfers from the Project Fund or from the Reserve Fund) will be sufficient to make such payments when due. Amounts in the Surplus Fund that are transferred to the Bond Fund pursuant to this paragraph (c) shall not be used to redeem Bonds being called pursuant to any optional redemption provisions hereof, but shall be used to pay Bonds coming due as a result of any mandatory sinking fund redemption.

(4) At any time that funds in excess of the Surplus Fund Maximum Amount are on deposit in the Surplus Fund, such excess amounts shall be immediately transferred by the Trustee to the Revenue Fund and applied in accordance with Section 3.04 hereof.

(5) Amounts in the Surplus Fund are to be transferred to the Bond Fund prior

to any transfer thereto from the Reserve Fund.

(6) If at any time the amounts on deposit in the Surplus Fund, together with amounts on deposit in the Reserve Fund, are sufficient to pay, whether by redemption or at maturity, all principal, premium, if any, and interest on the Bonds that will accrue to the redemption date or final maturity date, all amounts on deposit in the Surplus Fund shall be transferred to the Bond Fund and used to pay the principal of, premium, if any, and interest on the Bonds.

(7) Moneys credited to the Surplus Fund shall be invested or deposited as provided in Section 6.01 hereof.

Section 3.08 Trustee's Fees, Charges, and Expenses. From time to time, the District shall pay the Trustee's fees for services rendered hereunder in accordance with its then current schedule of fees and reimburse the Trustee for all advances, legal fees, and other expenses reasonably and necessarily made or incurred by, in, or about the execution of the trust created by this Indenture and in or about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever, unless such liabilities resulted from the negligence or willful misconduct of the Trustee.

Section 3.09 Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for moneys paid to Trustee for its fees and expenses, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the extent otherwise specifically provided in Article VII, and Section 8.05(b) hereof, the District shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

Section 3.10 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds provided herein shall be governed by §11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The amounts pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

ARTICLE IV

COVENANTS OF DISTRICT

Section 4.01 Performance of Covenants, Authority. The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The District covenants that it is duly authorized under the constitution and laws of the State, including, particularly and without limitation, the Act and the Supplemental Act, to issue the Bonds and to execute this Indenture and that all action on its part

for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable limited tax general obligations of the District according to the terms thereof.

Section 4.02 Instruments of Further Assurance. The District covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, and pledging unto the Trustee all and singular the Trust Estate.

Section 4.03 Covenant to Impose Required Mill Levy.

(a) For the purpose of paying the principal of, premium if any, and interest on the Bonds and replenishing the Reserve Fund to the Reserve Fund Requirement, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2020 through 20[___], inclusive (for tax collection in years 2021 through 20[___]), and in any year thereafter in which the Bonds remain Outstanding but not beyond the Maximum Debt Mill Levy Imposition Term, in the amount of the Required Mill Levy. Nothing herein shall be construed to require the District to levy an ad valorem property tax for payment of the Bonds and replenishing the Reserve Fund to the Reserve Fund Requirement in excess of the Required Mill Levy.

(b) The foregoing provisions of this Indenture are hereby declared to be the certificate of the Board to the Board of County Commissioners of the County showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purpose of paying the principal of, premium if any, and the interest on the Bonds.

(c) The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and to pay the principal of, premium if any, and interest on the Bonds when due and to make up any deficiencies in the Reserve Fund are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

(d) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Indenture.

Section 4.04 Additional Bonds.

(a) The District shall not incur any additional debt or other financial obligations having a lien upon the Pledged Revenue or any part thereof superior to the lien of the Bonds. The District shall not issue Additional Bonds except in accordance with this Section and Section 4.05.

(b) The District may issue Parity Bonds if such issuance is consented to by the Owners with respect to a majority in aggregate principal amount of Bonds then Outstanding, provided that, with or without such consent, the District may issue Parity Bonds if each of the following conditions are met:

(i) the District is then and as of the date of issuance of the Parity Bonds will be, in compliance with all of the covenants of this Indenture;

(ii) the District is then and as of the date of issuance of the Parity Bonds will be, current in the accumulation of all amounts required to be then accumulated in the funds hereunder, as required by this Indenture;

(iii) upon issuance of the Parity Bonds, the Debt to Assessed Ratio of the District will be 50% or less.

(c) A written certificate by the President or Treasurer of the District that the conditions set forth above are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver Parity Bonds in accordance with this Indenture.

(d) Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District, and will not be issued under this Indenture.

Section 4.05 Subordinate Bonds.

(a) One or more issues of Subordinate Bonds may be issued upon the terms and conditions provided in this Section.

(b) The terms of the Subordinate Bonds shall be as provided in the documents pursuant to which they are issued; provided that:

(i) the maximum mill levy which the District can promise to impose for payment of the Subordinate Bonds is 32.952 mills, adjusted for changes in law as provided in the definition of "Required Mill Levy" herein *less* the Required Mill Levy;

(ii) no Subordinate Bonds may be issued if any payment of principal of or interest on the Bonds has not been paid when due or an Event of Default shall have occurred and be continuing; and

(iii) the Subordinate Bonds shall be payable as to both principal and interest only on an annual basis, on a date which is after the final principal or interest payment date due in that calendar year on all Bonds.

(c) The good faith determination by the Board that the conditions for issuance of the Subordinate Bonds are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver Subordinate Bonds in accordance herewith.

Section 4.06 Additional Covenants and Agreements. The District hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The District will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Bonds, and will continue to operate and manage the District in an efficient and economical manner in accordance with all applicable laws, rules and regulations, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

(b) At least once a year in the time and manner provided by law, the District will cause an audit to be performed of the records relating to District revenues and expenditures. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time and manner provided by law.

(c) The District will carry [fire and extended coverage], general liability, public officials liability and such other forms of insurance on insurable District property upon the terms and conditions and in such amount, as in the judgment of the District would protect the District and its operations.

(d) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the County Treasurer to enforce the lien of such unpaid taxes against the property for which taxes are owed.

(e) Each District official or other person having custody of any Pledged Revenue, or responsible for the handling of such funds, shall be fully bonded or insured against theft or defalcation at all times, which bond or insurance shall be conditioned upon the proper application of said funds.

(f) In the event the Pledged Revenue and other moneys available hereunder for the payment of the Bonds is insufficient or is anticipated to be insufficient to pay the principal of, premium if any, and interest on the Bonds when due, and there are insufficient funds in the Reserve Fund for such purpose, the District shall use its commercially reasonable best efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such a payment shortfall.

(g) The District shall take no action that could have the effect of excluding property from the District unless the District determines in good faith that such action would not have a materially adverse effect upon the amount of Pledged Revenue that would otherwise be collected by the District.

ARTICLE V

PRIOR REDEMPTION

Section 5.01 Prior Redemption.

(a) **Optional Redemption.** The 2020 Bonds maturing prior to December 1, 202__, are not subject to redemption prior to maturity at the option of the District. The 2020 Bonds maturing on and after December 1, 20__, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity designated by the District and in whole or partial maturities, on December 1, 20__, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, with no redemption premium.

(b) **Mandatory Sinking Fund Redemption.** The 2020 Bonds maturing on December 1, 2040 (the “2040 Term Bond”), are subject to mandatory sinking fund redemption, in part, by lot, on December 1 in the years set forth below, prior to the maturity date of the 2040 Term Bond, upon payment of the principal amount so redeemed together with accrued interest thereon, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Principal Redemption Amount
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040*	

* final maturity, not a sinking fund redemption

The 2020 Bonds maturing on December 1, 2045 (the “2045 Term Bond”), are subject to mandatory sinking fund redemption, in part, by lot, on December 1 in the years set forth below, prior to the maturity date of the 2045 Term Bond, upon payment of the principal amount so redeemed together with accrued interest thereon, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Principal Redemption Amount
2041	
2042	
2043	
2044	
2045*	

* final maturity, not a sinking fund redemption

(c) ***Selection of Bonds for Mandatory Sinking Fund Redemption.*** With respect to each maturity of the Bonds subject to mandatory sinking fund redemption, on or before forty-five (45) days prior to each sinking fund installment date for such maturity as set forth above, the Trustee shall select for redemption, by lot in such manner as the Trustee or the District Representative may determine, from the Outstanding Bonds of that maturity, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date and maturity may be reduced by the principal amount of any Bonds of that maturity which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

Section 5.02 Redemption Procedure and Notice.

(a) If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Trustee shall determine. The Bonds shall be redeemed only in integral multiples of \$5,000. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$5,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds in Authorized Denominations for the unredeemed portion thereof.

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) or by electronic means to DTC or its affiliates, not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

ARTICLE VI

INVESTMENTS

Section 6.01 Investments.

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, upon receipt by the Trustee of written direction of the District Representative, in Permitted Investments only. The Trustee may

conclusively rely upon the District Representative's written instruction as to both the suitability and legality of the directed investments. If the District fails to provide written directions concerning investment of moneys held by the Trustee, the Trustee may invest in a money market fund which is a Permitted Investment, provided funds will be available for withdrawal from such money market fund prior to the date such funds will be needed. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee under the Indenture shall be credited to the fund or account from which the moneys invested were derived.

(b) Such investments shall mature or be redeemable at the option of the owner thereof no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended; provided, however, that with respect to the Reserve Fund and the Surplus Fund, any investment shall mature not later than the next interest payment date unless such investment is redeemable at the option of the District at any time without penalty. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. The Trustee is not required to issue confirmations of Permitted Investments for any month in which a monthly statement is rendered by the Trustee. The Trustee will not issue a monthly statement for any fund or account if no activity occurred in such fund or account during such month. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District Representative shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District Representative, unless the District Representative notified the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

Section 6.02 Tax Matters; Rebate Fund.

(a) The District shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the 2020 Bonds shall, for the purposes of federal income taxation, be excluded from the gross income of the recipients thereof and exempt from such taxation.

(b) The District covenants for the benefit of the Owners that it will not take any action or omit to take any action with respect to the 2020 Bonds, any funds of the District, or any facilities financed or refinanced with the proceeds of the 2020 Bonds, if such action or

omission (i) would cause the interest on the 2020 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the 2020 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the 2020 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.

(c) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the District under this Indenture, the District shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(d) In addition to the other funds and accounts created pursuant hereto, there is hereby established and shall be maintained the Rebate Fund as a fund separate from any other fund or account established and maintained hereunder. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the "Rebate Requirement" as defined in the Tax Certificate, for payment to the United States of America. Notwithstanding defeasance of the 2020 Bonds or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference).

(e) Any funds remaining in the Rebate Fund after payment in full of all of the 2020 Bonds and after payment of any amounts described in subsection (b) or subsection (d) of this Section, shall be withdrawn and retained by the District.

(f) The District specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(g) The covenants contained in this Section shall continue in effect until all 2020 Bonds are fully paid, satisfied, and discharged.

Section 6.03 Use of Income. Except as provided hereafter for investments of the Reserve Fund, the interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee hereunder shall be credited to the fund or account from which the moneys invested were derived. With respect to the Reserve Fund, so long as amounts of the Reserve Fund is equal to the Reserve Fund Requirement, all interest income from the investment or reinvestment of moneys credited to the Reserve Fund shall be credited to the 2020 subaccount in the Bond Fund; provided that if the amount of the Reserve Fund is less than the Reserve Fund Requirement, then such interest income shall be credited to the Reserve Fund.

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01 Discharge of the Lien of the Indenture.

(a) If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium if any, and interest to become due thereon at the times and in the manner stipulated herein, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the District any property at the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the District under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section if, for the purpose of paying such Bond, there shall have been deposited to the Bond Fund or there shall have been placed in escrow and in trust either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the principal of, premium if any, and interest on such Bond as the same become due to its final maturity or upon a designated prior redemption date.

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel that the investment or reinvestment of such moneys or such Federal Securities complies with Section 6.02 hereof; and (ii) unless defeasance is fully funded with cash, a report of a Certified Public Accountant, satisfactory to the Trustee, that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds when due.

(e) The release of the obligations of the District under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder, but such fees and expenses shall not be payable from moneys or Federal Securities used for the defeasance of the Bonds as provided in this Section.

(f) So long as the Insurance Policy is in effect and the Insurer is not in default thereunder, to accomplish defeasance of all of the Bonds under this Indenture, there shall be delivered to the Insurer and the Trustee (i) unless defeasance is fully funded with cash, a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification Report”), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer Outstanding under this Indenture, and (iv) a certificate of discharge of the Trustee with respect to the Bonds. The Verification Report and defeasance opinion shall be acceptable in form and substance, and addressed, to the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

(g) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid, and all covenants, agreements and other obligations hereunder to the Owners of the Bonds shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Owners.

(h) This Indenture shall not be discharged in its entirety or as to the Bonds until all amounts owing to the Insurer under the Insurance Policy or under the Reserve Fund Insurance Policy have been paid in full or duly provided for. The District’s obligations to pay such amounts to the Insurer shall expressly survive payment in full of the Bonds.

Section 7.02 Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01 Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment,

decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Indenture;

(b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in this Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, in and of itself, constitute an Event of Default hereunder.

Anything in this Indenture to the contrary notwithstanding, and so long as the Insurance Policy is in effect and the Insurer is not in default thereunder, upon the occurrence and continuance of a default or an event of default, the Insurer shall be deemed to be the sole Owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Trustee for the benefit of such Owners under this Indenture. The Trustee may not waive any default or event of default the Bonds without the Insurer's written consent.

Section 8.02 Remedies on Occurrence of Event of Default; Limitation for Payment Defaults.

(a) Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(i) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(ii) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Bonds, the Bond Resolution, this Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

(iii) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

(b) No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

(c) If any Event of Default under Section 8.01(a) shall have occurred and if requested by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof.

(d) Notwithstanding anything herein to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default, nor shall the District be subject to punitive or consequential damages, nor shall any provisions herein act as or be deemed to be a waiver by the District of the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S., as now or hereafter amended.

Section 8.03 Majority of Owners May Control Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

Section 8.04 Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which under that Section it is deemed to have notice, and unless such default shall have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided

and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Section 8.05 Application of Moneys.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and fees of any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate fund or funds created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds have been paid in full.

(b) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee have been paid, any balance remaining in any of the funds held hereunder shall be paid to the District.

Section 8.06 Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 8.07 Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the District, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf

Section 8.08 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09 No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 8.10 Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and

such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Owners with respect to a majority in aggregate principal amount of Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Owners with respect to one hundred percent (100%) of the principal amount of Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(a) hereof. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12 Notice of Default; Opportunity to Cure Defaults.

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors, of all defaults or Events of Default known to the Trustee, within 90 days after the occurrence of such default or Event of Default unless such default or Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under subsection 8.01(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and the District shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

ARTICLE IX

CONCERNING TRUSTEE

Section 9.01 Acceptance of Trusts and Duties of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in Section 9.01(g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an opinion of Counsel, the Trustee shall not be responsible for any loss or damage resulting from any action taken or non-action taken in good faith in reliance upon the advice or an opinion of Counsel chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the validity of the execution by the District of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of originally filed Uniform Commercial Code financing statements) and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the District, except as herein set forth; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture or the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual capacity or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee. The Trustee shall not be accountable for the use or application by the District of the proceeds of any of the Bonds or of any money paid to or upon the order of the District under any provision of this Indenture.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture

upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to rely conclusively upon a certificate signed on behalf of the District by the District's Representative or the District's President or such other person as may be designated for such purpose by a certified resolution of the District as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act or willful misconduct of its attorneys, agents or receivers which have been selected by the Trustee with due care; provided that the Trustee shall work in conjunction with the District to use commercially reasonable efforts to make the District whole by diligently prosecuting such attorneys, agents or receivers whose negligent act or willful misconduct has caused the District to suffer damages.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made any of the payments to the Trustee required to be made hereby, unless the Trustee shall be specifically notified in writing of such default by the District or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability to invest any moneys received hereunder except as provided in Article VI hereof.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the District pertaining to the Bonds and the Pledged Revenue and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the District.

(m) The Trustee shall not be required to advance its own funds, and before taking any action under this Indenture, other than the payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorney's fees, and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken. To the extent permitted by law, the District agrees to indemnify the Trustee against any claims arising out of the exercise and performance of its powers and duties hereunder in good faith and without negligence; provided that this agreement shall not act as a waiver of immunity of the District under the Colorado Governmental Immunity Act.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

Section 9.02 Fees and Expenses of the Trustee. The Trustee shall be entitled to payment and reimbursement from Pledged Revenue of its reasonable fees and expenses for ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services, including legal fees and expenses. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefore. The Trustee shall have a first lien with right of payment prior to payment on account of principal of or interest on any Bond, upon all moneys in the Trust Estate for the foregoing reasonable

advances, fees, costs and expenses incurred. The Trustee's right to compensation and indemnification as provided in Section 9.01(m) shall survive the satisfaction and discharge of this Indenture or the Trustee's resignation or removal hereunder and payment in full of the Bonds.

Section 9.03 Resignation or Replacement of Trustee.

(a) The Trustee may resign, subject to the appointment of a successor, by giving thirty (30) days' notice of such resignation to the District and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an instrument in writing, executed by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed by the District or otherwise become incapable of acting, a successor may be appointed by the District so long as it is not in default hereunder; otherwise by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact appointed; provided however, that even if the District is in default hereunder it may appoint a successor until a new successor shall be appointed by the District or the Owners as herein authorized. The District, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to the address shown on the registration books maintained by the Trustee, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the District shall immediately and without further act be superseded by a successor appointed in the manner above provided by the District or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the District is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those

instruments shall be made, executed, acknowledged, and delivered by the District on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

Section 9.04 Conversion, Consolidation, or Merger of Trustee. Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

Section 9.05 Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the approval of any expert for any of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

ARTICLE X

SUPPLEMENTAL INDENTURES; AMENDMENTS TO AGREEMENTS

Section 10.01 Supplemental Indentures Not Requiring Consent. Subject to the provisions of this Article, the District and the Trustee may, without the consent of or notice to the Owners or the Insurer, but with prior written notice to the Insurer, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

(b) To subject to this Indenture additional revenues, properties, or collateral;

(c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; or

(d) To qualify this Indenture under the Trust Indenture Act of 1939.

Section 10.02 Supplemental Indentures Requiring Consent of Owners.

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, the Insurer, or, in the event that the Insurer is in default under the Insurance Policy, the Owners with respect to not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Insurer and Owners with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(i) the alteration of any optional or mandatory redemption provisions applicable to any Outstanding Bond which results in a reduction of such amounts, a change in the maturity date of the Bonds, or a change in the principal amount of the Bonds;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of, premium if any, or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or premium or any interest payment over any other Bond or premium or interest payment;

(iv) a reduction in the percentage of the principal amount of the Bonds then Outstanding required for consent to any supplemental indenture or amendment to the Indenture; or

(v) any amendment, supplement or modification to this Indenture that adversely affects the rights or interests of the Insurer.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

(c) If at any time the District shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given by mailing such notice by certified or

registered first class mail to each Owner of a Bond to the address shown on the registration books of the Trustee or by electronic means to DTC or its successors, at least thirty (30) days prior to the proposed date of execution and delivery of any such supplemental indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within sixty (60) days or such longer period as shall be prescribed by the District following the giving of such notice, the Owners with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03 Execution of Supplemental Indenture. The Trustee is authorized to join with the District in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the District shall receive and shall be fully protected in relying upon the following:

(a) an opinion of Bond Counsel to the effect that: (i) the supplement will not adversely affect the exclusion from gross income for federal income tax purposes, of the interest paid or to be paid on the 2020 Bonds; (ii) the District is permitted by the provisions hereof to enter into the supplement; and (iii) the supplement is a valid and binding obligation of the District, enforceable in accordance with its terms, subject to matters permitted by Section 1.04 hereof; and

(b) written confirmation from any nationally recognized rating agency which is then maintaining a rating on the Bonds, that the supplement will not cause the current rating to be withdrawn or downgraded.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, and the Owners of the Bonds.

Section 11.02 Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 11.03 Governing Law. This Indenture shall be governed and construed in accordance with the internal laws of the State, with venue to be in the District Court for El Paso County, Colorado.

Section 11.04 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.05 Notices; Waiver.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the Persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District: Allison Valley Metropolitan District No. 1

Attention: President

with a copy to: Spencer Fane LLP

Attention: _____

Trustee: Zions Bancorporation, National Association
1001 17th Street, Suite 850
Denver, Colorado 80202

Attention: _____, Corporate Trust and Escrow Services

Insurer: _____

New York, New York 10____

Attention: Surveillance

Re: Policy No. _____

Telephone: (212) _____ Telecopier (212) _____

Email:

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(d) The District will provide the Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Undertaking and (ii) to the holders of Bonds or the Trustee under this Indenture.

Section 11.06 Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee are located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.07 Application of Supplemental Act. The Board specifically elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 11.08 No Recourse against Officers and Agents. Pursuant to § 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 11.09 Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 11.10 Conclusive Recital. Pursuant to § 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11.11 Limitation of Actions. Pursuant to § 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of the Bonds pursuant to the Bond Resolution.

Section 11.12 Insurer as Third Party Beneficiary. The Insurer is explicitly recognized as and shall be deemed to be a third party beneficiary of the Indenture and may enforce any right, remedy or claim conferred, given or granted hereunder. Notwithstanding any other provision of this Indenture except Section 11.14 hereof, the Insurer shall be deemed to be the sole Owner of all Bonds insured by the Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental Indenture, removal of the Trustee or selection and appointment of a successor Trustee, and the initiation or approval by Owners of any action which under this Indenture

requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the Bonds at the time Outstanding; and (ii) following an Event of Default hereunder, for all other purposes. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to, but not in lieu of, the consent of the Owners for the execution and delivery of any supplemental resolutions for which the consent of 100% of the Owners is required pursuant to Section 10.02 hereof.

Section 11.13 Payments under the Policy.

(a) In the event that principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, and all covenants, agreements and other obligations of the District to the Owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(b) Irrespective of whether any such assignment is executed and delivered, the District and the Trustee shall agree for the benefit of Insurer that:

(i) They recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, the Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Indenture and the Bonds; and

(ii) They will accordingly pay to the Insurer the amount of such principal and interest, but only from the sources and in the manner provided in the Indenture and the Bonds for the payment of principal of and interest on the Bonds to the Owners, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

Section 11.14 Special Provisions for Insurer Default.

(a) If a default of the Insurer (an "Insurer Default") under the Insurance Policy shall occur and be continuing, then, notwithstanding anything in this Indenture to the contrary, (i) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Insurance Policy, to the extent of such payment the Insurer shall be treated like any other Owner of the Bonds for all purposes, including giving of consents, and (ii) if the Insurer has not made any payment under the Insurance Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Insurance Policy, in which event, the foregoing clause (i) shall control.

(b) For purposes of this paragraph, "Insurer Default" means: (A) the Insurer has failed to make any payment under the Insurance Policy when due and owing in accordance with its terms; or (B) the Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to

controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

IN WITNESS WHEREOF, **ALLISON VALLEY METROPOLITAN DISTRICT NO. 1**, has caused this **INDENTURE OF TRUST** to be executed on its behalf by its President and attested by its Secretary, and to evidence its acceptance of the trusts hereby created, **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf and attested by one of its authorized officers, all as of the date first above written.

ALLISON VALLEY METROPOLITAN
DISTRICT NO. 1

By: _____
President

Attested:

By: _____
Secretary or Assistant Secretary

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By: _____
Authorized Officer

[Signature Page to Indenture of Trust]

EXHIBIT A

[Form of Bond]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF COLORADO**

No. R-[__]

\$ _____

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
(IN THE CITY OF COLORADO SPRINGS, COLORADO)
GENERAL OBLIGATION LIMITED TAX
REFUNDING BONDS
SERIES 2020**

Interest Rate	Maturity Date	Original Issue Date	CUSIP
[__]%	December 1, 20[__]	[____], 2020	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Allison Valley Metropolitan District No. 1, a special district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above.

In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360 day year of twelve 30 day months) from its date of delivery, at

the interest rate per annum specified above, payable semiannually on June 1 and December 1 each year, commencing on December 1, 2020, until the principal amount is paid at maturity or upon prior redemption. The Bonds are issued pursuant to that certain Indenture of Trust dated [Closing Date], 2020 (the “Indenture”) between the District and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as trustee (the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Indenture.

Under no circumstances shall the Bonds be held to be an indebtedness, an obligation or a liability of the City of Colorado Springs, Colorado in any manner, and the City is not liable for payment of the principal of, premium if any, and interest on the Bonds. The faith and credit of the City is not pledged to the repayment of the Bonds.

The principal of this Bond and premium, if any, is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of the Trustee. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the Trustee at the close of business on the fifteenth day of the calendar month next preceding each interest payment date (the “Record Date”), and shall be paid by check or draft of the Trustee mailed on or before the interest payment date to such registered owner at his address as it appears on such registration books. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Trustee as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the “Special Record Date”) established for the payment of any accrued but unpaid interest. Notice of the Special Record Date and the date fixed for the payment of accrued but unpaid interest shall be given by first class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond is one of a series aggregating \$[_____] par value, all of like date, tenor, and effect, issued by the Board of Directors of Allison Valley Metropolitan District No. 1, in the City of Colorado Springs and State of Colorado, for the purpose of paying the costs of refunding certain financial obligations of the District, by virtue of and in full conformity with the

Constitution of the State of Colorado; Title 32, Article 1, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution and the Indenture. Pursuant to C.R.S. § 11-57-210, such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado; and that provision has been made for the levy and collection of an ad valorem tax on all of the taxable property within the District in the amount of the Required Mill Levy for the purpose of paying the principal of, premium, if any, and interest on this Bond as the same respectively become due.

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of certain moneys held under the Indenture and the Pledged Revenue. The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Indenture.

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

Bonds of this issue are subject to redemption prior to maturity as provided in the Indenture.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than thirty (30) days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the Trustee, in

the manner set forth in the Indenture provided that so long as this Bond is held by DTC or any other depository, such notice may be given by electronic means in lieu of mailed notice. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing interest payment date or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The District and the Trustee may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District or the Trustee.

This Bond may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Trustee of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time.

The Trustee shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Trustee is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Trustee is authorized or required by law to remain closed.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN TESTIMONY WHEREOF, the Board of Directors of Allison Valley Metropolitan District No. 1 has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary thereof, all as of the original issue date specified above.

[SEAL]

Allison Valley Metropolitan District No. 1

By: _____

President

Attested:

By: _____
Secretary

STATEMENT OF INSURANCE

CERTIFICATE OF AUTHENTICATION

Date of Registration and Authentication: _____

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____

Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

Signature

Dated: _____

Signature Guaranteed:

Signature must be guaranteed by a member
of a Medallion Signature Program

Address of Transferee:

Social Security or other tax
identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the resolution authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of the Depository</u>