

RESOLUTION

A RESOLUTION OF UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2, IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, AUTHORIZING THE ISSUANCE AND SALE OF ITS LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2018, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$7,800,000; PRESCRIBING THE FORM OF THE SERIES 2018 BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BOND; AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, Upper Cottonwood Creek Metropolitan District, in the City of Colorado Springs, El Paso County, Colorado (the “District”), is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the respective meanings as set forth in Section 1 hereof; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, May 6, 2006 (the “2006 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2006 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for various purposes, the questions relating thereto being set forth in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the returns of the 2006 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2006 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the Colorado Division of Securities created by Section 11-51-701, C.R.S., within 45 days after the election; and

WHEREAS, the Board of Directors of the District (the “Board”) has heretofore determined and does hereby determine that it is necessary and in the best interests of the District, and the taxpayers thereof, to pay the costs of acquiring, constructing and/or installing a portion of the facilities authorized to be provided by the District pursuant to the District’s Service Plan and the related debt for which was approved by the 2006 Election (the “Project”); and

WHEREAS, the Board has heretofore determined to issue, and the City Council of the City has heretofore approved, the issuance of a limited tax general obligation bond, Series 2010, in the initial principal amount of \$2,250,000;

WHEREAS, the Board has heretofore determined and hereby determines that it is necessary and in the best interests of the District, and the taxpayers thereof, to borrow additional funds to finance the Project, and that for such purposes there shall be issued a bond of the District in the principal amount not to exceed \$7,800,000 (as more particularly defined hereafter, the “Bond”); and

WHEREAS, pursuant to the District’s Service Plan, the City must approve the issuance of the Bond by the District, and for the purpose of acquiring such approval, the District shall submit to the City for approval this resolution providing for the issuance of the Bond; and

WHEREAS, approval by the City Council shall be a condition precedent to the issuance of the Bond; and

WHEREAS, the Bond shall constitute a limited mill levy obligation of the District and shall be payable solely from the Pledged Revenue; and

WHEREAS, the Bond shall not constitute indebtedness or an obligation or a liability of the City; and

WHEREAS, issuance of the Bond shall not involve a public offering, but shall be privately placed by the District exclusively to “accredited investors” within the meaning of Section 11-59-110(1)(g), C.R.S., and as such will be exempt from registration under the Article 59 of Title 11, C.R.S.; and

WHEREAS, the Bond is payable from a limited debt service mill levy not in excess of 50 mills, and thus is permitted to be issued pursuant to Section 32-1-1101 (6)(b), C.R.S.; and

WHEREAS, the Board has been advised in the private placement of the Bond with the Initial Owner by RBC Capital Markets Corporation, as Financial Advisor; and

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

WHEREAS, the Board specifically elects to apply the provisions of the Part 2 of Article 57 of Title 11, C.R.S. (the “Supplemental Public Securities Act”), to the Bond; and

WHEREAS, the Board desires, as provided in the Supplemental Public Securities Act, to delegate the authority to the Sale Delegate to determine, among other things, certain provisions of the Series 2018 Bond, all of which is to be set forth in the Sale Certificate in accordance with the provisions of this Resolution; and

WHEREAS, the District expects to sell and deliver the Bond to the Initial Owner on or about _____, 2018, in exchange for the purchase price therefor, which shall be 100% of the principal amount thereof; and

WHEREAS, the Board desires to authorize the issuance of the Bond and the execution of all ancillary or related documents in connection therewith;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2, IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO:

Section 1. Definitions. As used herein, the following capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise, and words importing the singular include the plural, and *vice versa*.

“*2006 Election*” means the debt authorizing election held within the District on May 6, 2006.

“*Additional Obligations*” means the following obligations other than the Bond, except as otherwise provided below:

- (a) all obligations of the District for borrowed money and reimbursement obligations;
- (b) all obligations of the District payable from or constituting a lien or encumbrance upon ad valorem tax revenues of the District;
- (c) all obligations of the District evidenced by bonds, debentures, notes, contracts or other similar instruments, including, without limitation, any Parity Obligations or Subordinate Obligations;
- (d) all obligations of the District to pay the deferred purchase price of property or services;
- (e) all obligations of the District as lessee under capital leases; and
- (f) all obligations of others guaranteed by the District;

provided, however, that notwithstanding the foregoing, the following shall not constitute Additional Obligations hereunder:

(i) obligations issued solely for the purpose of paying operations and maintenance costs of the District, the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor, other than capital leases as set forth in (e) above, so long as no amounts due or to become due on such obligations are payable from the District's debt service mill levy;

(ii) obligations that are payable solely from the proceeds of Additional Obligations;

(iii) obligations that refund or refinance any obligations of the District, so long as: (A) such refunding obligations do not increase the District's debt service in any year in which both the refunding obligations and the Bond are outstanding; (B) such refunding obligations are payable on the same date or dates as the obligations being refunded or refinanced; (C) such refunding obligations are not subject to acceleration; (D) such refunding obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations being refunded or refinanced; and (E) the remedies for defaults under such refunding or refinancing obligations are substantially the same as the remedies applicable to the obligations being refunded or refinanced;

(iv) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under State law;

(v) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit or similar credit enhancements so long as: (A) such surety bonds, financial guaranties, letters of credit or similar credit enhancements guarantee payment of all principal and interest on any issue of District obligations; and (B) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority as the District obligations supported by the surety bonds, financial guaranties, letters of credit or similar credit enhancements;

(vi) any operating leases, payroll obligations, accounts payable or taxes incurred or payable in the ordinary course of business of the District; and

(vii) any reimbursement agreement with the developer of the Project.

"Board" means the Board of Directors of the District.

"Bond" means the Limited Tax General Obligation Bond, Series 2018, dated as of the Issue Date, issued in the Original Principal Amount, as authorized by this Resolution.

"Bond Counsel" means (a) as of the Issue Date, Spencer Fane LLP, and (b) as of any other date such attorneys selected by the District with nationally recognized expertise in public finance.

“*Bond Year*” means the period from December 1 of any calendar year to November 30 of the following calendar year.

“*Business Day*” means a day other than a Saturday, a Sunday, a legal holiday or other day on which the principal office of the District is authorized or required by law to remain closed.

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

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

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*Debt Authorization*” means the indebtedness authorized by the District’s voters at the 2006 Election.

“*Debt Service Fund*” means the “Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado, Limited Tax General Obligation Bond, Series 2018, Debt Service Fund,” established by the provisions of this Resolution for the purpose of paying the principal of, premium, if any, and interest on the Bond.

“*District*” means Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado.

“*Event of Default*” means any one or more of the events set forth in the Section hereof entitled “Events of Default.”

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

“*Financial Advisor*” means RBC Capital Markets Corporation, Denver, Colorado.

“*Initial Owner*” means Enterprise Fund No. 5, LLC.

“*Interest Payment Date*” means each December 1, commencing December 1, 2018, or such other dates as may be established in the Sale Certificate.

“*Investment Letter*” means a letter required to be obtained from each purchaser or transferee of the Bond in substantially the form set forth in Exhibit C attached hereto and incorporated herein by reference.

“*Issue Date*” means the date the Bond is issued and delivered to the Initial Owner.

“*Maturity Date*” means the date on which the Bond matures, as specified in the Sale Certificate.

“*Original Principal Amount*” means the original principal amount of the Bond upon issuance and delivery by the District on the Issue Date, as specified in the Sale Certificate.

“*Owner*” means the Initial Owner and subsequent to any transfer of the Bond, the registered owner of the Bond as shown by the registration books maintained by the District.

“*Parity Obligations*” means Additional Obligations having a lien upon the Pledged Revenue or any part thereof that is on a parity with the lien thereon of the Bond.

“*Permitted Investments*” means any investment or deposit the District is permitted to make under then-applicable law.

“*Pledged Revenue*” means:

- (i) the moneys derived by the District from the Required Mill Levy, after costs of collection;
- (ii) the portion of the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, allocable to the amount of the Required Mill Levy; and
- (iii) any other legally available moneys that the Board determines in its sole discretion to credit to the Debt Service Fund.

“*Project*” means the acquisition, construction and installation of facilities contemplated by the District’s Service Plan and the debt for which was approved at the 2006 Election, including, without limitation, necessary or appropriate equipment.

“*Project Costs*” means the District’s costs properly attributable to the Project or any part thereof, to the extent permitted by the Service Plan, including, without limitation, the following:

- (a) the costs of labor and materials, of machinery, furnishings and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by, to or on behalf of the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;
- (e) the costs of surveys, appraisals, plans, designs, specifications and estimates;

- (f) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Bond;
- (j) the costs of amending any resolution or other instrument relating to the Bond or the Project;
- (k) the costs of repaying any short-term financing, construction loans and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements and franchises;
- (m) the costs of demolition, removal and relocation; and
- (n) all other lawful costs as determined by the Board.

“*Record Date*” means the 15th day of the calendar month next preceding each interest payment date for the Bond.

“*Required Mill Levy*” means an ad valorem property tax imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium, if any, and interest on the Bond as the same becomes due and payable, subject to the following limitations:

- (a) Subject to paragraph (b) below, the Required Mill Levy (one mill being equal to 1/10 of 1 cent) shall be limited to a maximum of 33.166 mills; provided, however, that such limitation shall be adjusted to compensate for changes in the rate of assessed valuation of the property within the District pursuant to Article X, Section 3 of the constitution of the State, or any other legislation causing a reduction in the method of calculating assessed valuation, occurring after January 1, 2006. In the event of legislation implementing changes in the ratio of actual valuation to assessed valuation for property within the District pursuant to Article X, Section 3(1)(b) of the constitution of the State, the Required Mill Levy limitation provided herein shall be increased or decreased as to all taxable property in the District to reflect such changes so that to the extent possible the actual tax revenues generated by the Required Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes in the ratio of actual valuation to assessed valuation for property within the District. The foregoing increases or decreases in the Required Mill Levy limitation shall be determined by the Board in good faith, and such determination shall be binding and final.

(b) Notwithstanding the foregoing, in no event may the Required Mill Levy be established at a rate that would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral and Service Plan 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.

“*Resolution*” means this resolution, which authorizes the issuance of the Bond.

“*Sale Certificate*” means the certificate executed by the Sale Delegate under the authority delegated pursuant to this Resolution which sets forth the terms of the Series 2018 Bonds as described in the Section hereof captioned “Delegation and Parameters.”

“*Sale Delegate*” means the President of the District.

“*Service Plan*” means the Service Plan for the District as currently approved by the City as required by the Special District Act.

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

“*State*” means the State of Colorado.

“*Subordinate Obligations*” means any Additional Obligations having a lien upon the Pledged Revenue or any part thereof that is junior and subordinate to the lien thereon of the Bond.

“*Supplemental Public Securities Act*” means the “Supplemental Public Securities Act,” being part 2 of article 57 of title 11, C.R.S.

“*Tax Certificate*” means the Tax Compliance Certificate or similar certificate delivered by the District in connection with the issuance of the Bond that describes the District's expectations regarding the use and investment of proceeds of the Bond and other moneys.

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

Section 2. Authorization. In accordance with the constitution and laws of the State, including, without limitation, the Special District Act, the Supplemental Public Securities Act and all other laws of the State thereunto enabling, the 2006 Election and the Service Plan, the Bond in the Original Principal Amount is hereby authorized to be issued by the District for the purpose of paying the Project Costs and other costs in connection with the issuance of the Bond. The District hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Bond.

The Board shall allocate the principal amount of the Bond to the purposes authorized in the Service Plan and the Debt Authorization, provided that such allocation shall be based upon

the Board's estimates of the use of proceeds at the time of issuance of the Bond, that actual uses of proceeds may vary from this estimate within the limitations of the Service Plan and the Debt Authorization, and that such variance shall not require an amendment to this Resolution or notice to or consent of any person.

Section 3. Limited Tax Obligations. The Bond shall constitute a limited tax obligation of the District as provided herein. The Bond, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, and the Pledged Revenue is hereby pledged to the payment of the Bond. The Bond shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien.

The creation, perfection, enforcement and priority of the pledge of revenues to secure or pay the Bond shall be governed by Section 208 of the Supplemental Public Securities Act and this Resolution. The Pledged Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge on the Pledged Revenue shall have priority over any and all other obligations and liabilities of the District and 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.

Section 4. Bond Details. A single fully registered Bond shall be issued to the Initial Owner as a single Bond in an amount equal to the Original Principal Amount. Unless the District shall otherwise direct, the Bond shall be numbered "R-1." The Bond shall be dated as of the Issue Date, shall bear interest from the Issue Date at the rate per annum (calculated on the basis of a 360-day year of twelve 30-day months), payable to the extent of Pledged Revenue available therefor, on the Interest Payment Dates, and shall mature on the Maturity Date, all as set forth in the Sale Certificate.

To the extent principal of the Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on the Bond is not paid when due, such interest shall compound annually on each Interest Payment Date at the interest rate 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 its electoral authorization in repayment of the Bond, including all payments of principal and interest, and the Bond will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

The maximum net effective interest rate authorized for the Bond is 15.00% per annum, and the actual net effective interest rate of the Bond shall not exceed such maximum rate.

Section 5. Delegation and Parameters.

(a) ***Delegation.*** The Board hereby delegates to the Sale Delegate, for a period of one year following the effective date of this Resolution, the authority to determine and set forth in the Sale Certificate: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any

other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the parameters set forth in subsection (c) of this Section.

(b) ***Sale Certificate.*** The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter shall fall within the applicable parameters set forth in subsection (c) of this Section:

- (i) the Original Principal Amount of the Bond;
- (ii) the Maturity Date;
- (iii) the interest rate on the Bond;
- (iv) the Interest Payment Dates;
- (v) the dates, if any, upon which the Bond may be redeemed at the option of the District and the prices at which the Bond may be so optionally redeemed; and
- (vi) the dates, if any, upon which the Bond shall be subject to mandatory sinking fund redemption prior to the Maturity Date.

(c) ***Parameters.*** The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

- (i) the aggregate principal amount of the Bonds shall not exceed \$7,800,000;
- (ii) the Maturity Date of the Bond shall be no later than December 1, 2047; and
- (iii) the net effective interest rate on the Bond shall not exceed 15.00%;
- (iv) the total repayment cost of the Bond and the maximum annual repayment costs thereof shall not exceed the limitations of the applicable Debt Authorization.

(d) The authority to determine other details of the Bond as permitted by the Supplemental Public Securities Act is hereby delegated to the Sale Delegate.

Section 6. Payment of Bond. The principal of, premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the Bond shall be payable to the Owner thereof upon maturity or prior redemption upon presentation of such Bond at the principal office of the District. The interest on

the Bond shall be payable to the person in whose name such Bond is registered as of the close of business on the Record Date, irrespective of any transfer or exchange of the Bond subsequent to the Record Date and prior to the interest payment date, and shall be paid by check or draft of the District mailed on or before the interest payment date to the Owner at the address as it appears in the registration books maintained by the District. Any interest not paid or duly provided for on the scheduled interest payment date therefor shall cease to be payable to the person who is the Owner of the Bond at the close of business on the Record Date for such interest payment date and instead shall be payable, together with interest thereon due as the result of compounding, to the person who is the Owner of the Bond at the close of business on the Record Date for the interest payment date on which such deferred and compounded interest is paid.

The District may make payments of interest on the Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the District; provided, however, that the District shall not be required to make funds available therefor 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.

Section 7. Mandatory Sinking Fund Redemption. All or any principal amount of the Bond may be subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified in the Sale Certificate, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

At least one Business Day prior to each payment date, or as soon thereafter as is practicable, the Owner shall send an invoice for principal and accrued interest due for the preceding period. Such principal and interest shall be due and payable on each payment date set forth in the Bond. All remaining principal plus all unpaid accrued interest shall be due and payable to the Owner in full on the Maturity Date. If the Bond is not paid upon presentation at maturity or upon prior redemption, interest shall continue to accrue thereon at the rate borne prior to maturity or prior redemption until the principal thereof is paid in full.

If, for any reason other than failure of the Owner to surrender the Bond for cancellation, any payment on the Bond is not made when due, interest shall continue to accrue on the unpaid principal of the Bond at the applicable rate of interest borne by the Bond and if such payment is not made within 10 days after it first becomes due and payable, the District shall, at the option of the Owner, pay, in addition to such payment, an additional charge at the rate of 12% per annum on the unpaid balance for the period of time the payment is not paid. The final payment of principal of and interest on the Bond shall be made upon presentation and surrender of the Bond for cancellation by the Owner at the principal office of the District, and payment of the principal of and interest on the Bond prior to the final payment of the Bond shall be made to the Owner by electronic funds transfer, check or draft (subject to collection) delivered or mailed to the Owner at the address provided to the District by the Owner.

The amount of the sinking fund installments shall be reduced by the principal amount of the Bond which prior to said date has been redeemed as provided in the Section herein entitled "Optional Redemption" (otherwise than through the operation of the mandatory sinking fund

redemption) 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 8. Optional Redemption. The Bond may be subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$1,000, on such dates and at such prices as set forth in the Sale Certificate.

Section 9. Book Entry System. The Bond shall be issued in the form of a single, certificated, fully registered Bond for the entire principal amount of the Bond. Upon initial issuance, the ownership of such Bond shall be registered in the registration books kept by the District. No person, other than the Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Resolution.

Section 10. Form, Execution and Authentication of Bond. The Bond shall be in substantially the form set forth as Exhibit B attached hereto, with such variations, omissions and insertions as may be required by the circumstances, may be required or permitted by this Resolution or are consistent with this Resolution 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. The Bond may bear such other endorsement or legend as may be required to conform to usage or law with respect thereto.

The Bond shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Public Securities Act, and pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bond after its delivery for value. In accordance with Section 31-25-1221, C.R.S., the Bond shall also contain a recital that the Bond shall not constitute indebtedness or an obligation or a liability of the City.

The Bond shall also contain a statement that by acceptance of the Bond, the Owner thereof agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Bond contained therein, in this Resolution and the Service Plan. Similar language describing the limitations with respect to the payment of the principal of, premium, if any, and interest on the Bond set forth in the Service Plan shall be included in any document used for the offering of the Bond.

The Bond shall be signed with the facsimile or manual signature of the President or Vice President of the District, sealed with a facsimile or manual impression of the seal of the District and attested by the facsimile or manual signature of the Secretary or an Assistant Secretary of the District. Should any officer whose facsimile or manual signature appears on the Bond cease to be such officer before delivery of the Bond to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

Execution by the District of the Bond shall be the conclusive and only competent evidence that the Bond has been duly authenticated and delivered.

Section 11. Delivery of Bond; Disposition of Proceeds. Upon the adoption of this Resolution, the delivery of the certification of an independent engineer as required by the

District's Service Plan and the approval of the City Council of the City of the issuance of the Bond, the District shall execute and authenticate the Bond and deliver the Bond to the Initial Owner in exchange for the purchase price thereof. Neither the Financial Advisor, the Initial Owner nor any subsequent Owner of the Bond shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

Subject to the provisions of the Section herein entitled "Delegation to President," the proceeds derived from the sale of the Bond shall be applied on the Issue Date to the payment of Project Costs.

Section 12. Acknowledgment by Owner. By its acceptance of the Bond or any interest therein, the Owner shall be deemed to have: (a) agreed and consented to all of the limitations in respect of the payment of the principal of, premium, if any, and interest on the Bond contained in the Bond, this Resolution and the Service Plan, (b) acknowledged that the Bond is not being registered under the Securities Act of 1933, as amended, is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state and that as of the Issue Date the Bond will not carry a rating from any rating service, and (3) acknowledged and agreed that the Bond, and any interest therein, may and shall be sold, transferred or otherwise disposed of only to purchasers who satisfy the conditions specified in this Resolution.

Section 13. Registration and Transfer of Bond. The District shall act as registrar for the Bond and shall keep a registration book showing the name and address of the Owner.

Ownership of the Bond shall be limited to "accredited investors" within the meaning of Section 11-59-110(1)(g), C.R.S. The Bond shall not be issued by the District, or thereafter transferred by the District, unless the District has first received a manually executed Investment Letter from the Initial Owner or each and every transferee of the Bond.

The Bond may be transferred upon the registration books upon delivery of the Bond to the District, accompanied by (a) a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the District, duly executed by the Owner of the Bond to 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, and (b) a manually executed Investment Letter from the transferee of the Bond. No transfer of the Bond shall be effective until entered on the registration books.

In all cases of the transfer of the Bond, the District shall enter the transfer of ownership in the registration books and authenticate and deliver in the name of the transferee a new fully registered Bond for the principal amount that the transferee is entitled to receive at the earliest practicable time. The District shall charge the Owner of the Bond for every such transfer 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.

The District shall not be required to issue or transfer any Bond: (a) during a period beginning at the close of business of the District on the Record Date and ending at the close of business of the District on the related interest payment date; or (b) during the period beginning

on the day on which notice of optional redemption of the Bond, in full or in part, is mailed and ending at the close of business of the District on the related optional redemption date.

The new Bond delivered upon any transfer shall be a valid obligation of the District, evidencing the same obligation as the Bond surrendered, shall be secured by this Resolution and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

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

Section 14. Cancellation of Bond. Whenever the Bond shall be delivered to the District for cancellation pursuant to this Resolution and upon payment of the principal amount and interest represented thereby, or whenever the Bond shall be delivered to the District for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the District.

Section 15. Replacement Bond. In the event the Bond is lost, stolen, destroyed or mutilated, the Bond may be replaced by the District in accordance with and subject to the limitations of applicable law. The applicant for such replacement Bond shall be required to post such security, pay such costs and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the District.

Section 16. Disposition and Investment of Proceeds; Tax Covenants.

(a) The Bond shall be issued and privately placed for the purposes provided in this Resolution. The Owner shall not be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

(b) All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations that are both lawful investments and that are Permitted Investments.

(c) The District covenants as follows with respect to the Bond:

(i) The District shall not make any use of the proceeds of the Bond, any funds reasonably expected to be used to pay the principal of, premium, if any, or interest on the Bond or any other funds of the District, make or permit any use of any facilities constituting a part of the Project or take (or omit to take) any other action with respect to the Project, the Bond, the proceeds thereof or otherwise if such use, action or omission would, under the Tax Code, cause the interest on the Bond to become includable in gross income for federal income tax purposes.

(ii) The District shall not take (or omit to take) any action, or permit or suffer any action to be taken, if the result of the same causes the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Tax Code.

(iii) The District shall not make, or permit to be made, any use of the original proceeds of the Bond, or of any moneys treated as proceeds of the Bond within the meaning of the Tax Code and applicable regulations, rulings and decisions, or take, permit to be taken or fail to take any action, that would adversely affect the excludability from gross income of the interest on the Bond under Section 103 of the Tax Code and applicable regulations, rulings and decisions.

(iv) The duly authorized representatives of the District shall execute a Tax Certificate upon the issuance of the Bond.

(v) The District shall file, or cause to be filed, a copy of Internal Revenue Form 8038-G with respect to the issuance of the Bond.

Section 17. Debt Service Fund. There is hereby created and established the Debt Service Fund, which may be established as a line item account of the District's general fund or other fund (so long as the amounts credited to and paid from such account can be readily and accurately determined) and shall otherwise be maintained by the District in accordance with the provisions of this Resolution.

There shall be credited to the Debt Service Fund an amount of Pledged Revenue each Bond Year that, when combined with other legally available moneys therein, is sufficient to pay the principal of, premium, if any, and interest on the Bond that has or will become due in the Bond Year in which the credit is made. Moneys in the Debt Service Fund shall be used by the District solely to pay the principal of, premium, if any, and interest on the Bond in the following order:

- (i) interest due as a result of compounding;
- (ii) accrued but unpaid stated interest;
- (iii) current interest; and
- (iv) principal of the Bond, whether due at maturity or upon prior redemption.

Moneys credited to the Debt Service Fund may be invested or deposited only in Permitted Investments in accordance with applicable State law; provided, however, that the investment of moneys credited to the Debt Service Fund shall be subject to the covenants and provisions of the Section hereof entitled "Disposition and Investment of Proceeds; Tax Covenants." Except to the extent otherwise provided in this Resolution, interest income from the investment or reinvestment of moneys credited to the Debt Service Fund shall remain in and become part of the Debt Service Fund.

Section 18. Flow of Funds. The District shall apply the Pledged Revenue in the following order of priority. For purposes of the following, when credits to more than one fund, account or purpose are required at any single priority level, such credits shall rank *pari passu* with each other.

- FIRST: To the credit of the Debt Service Fund the amounts required by the Section hereof entitled “Debt Service Fund” and to the credit of any similar fund or account established for the payment of the principal of, premium, if any, and interest on the Bond and on any Parity Obligations the amounts required by the resolutions, indentures or other enactments or instruments authorizing the issuance of the Bond or the Parity Obligations;
- SECOND: To the credit of any sinking fund, reserve fund or similar fund or account established in connection with any Bond and Parity Obligations the amounts required by the resolutions, indentures or other enactments or instruments authorizing the issuance of the Bond or the Parity Obligations;
- THIRD: To the credit of any fund or account established for the payment of the principal of, premium, if any, and interest on Subordinate Obligations, including any sinking fund, reserve fund or similar fund or account established therefor, the amounts required by the resolutions, indentures or other enactments or instruments authorizing the issuance of the Subordinate Obligations; and
- FOURTH: To the credit of any other fund or account designated by the District to be used for any lawful purpose.

Section 19. Imposition of Required Mill Levy. For the purpose of paying the principal of, premium, if any, and interest on the Bond when due, the Board shall annually determine and certify a rate of levy for general ad valorem taxes, not in excess of the Required Mill Levy, on all of the taxable property in the District sufficient to pay the principal of, premium, if any, and interest on the Bond when due, whether at maturity or upon earlier redemption. Nothing herein shall be construed to require the District to levy an ad valorem property tax in excess of the Required Mill Levy.

The foregoing provisions of this Resolution are hereby declared to be the certificate of the Board to the Board of County Commissioners of El Paso County, Colorado, 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 Bond.

The amounts necessary to pay all costs and expenses incidental to the issuance of the Bond and to pay the principal of, premium, if any, and interest on the Bond when due are hereby appropriated for such 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 Bond has been fully paid, satisfied and discharged.

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 purpose of paying the principal of and interest on the Bond.

Section 20. Additional Obligations. So long as any Bond is outstanding, the District shall not incur any Additional Obligations except as provided in this Section.

(a) The District shall not issue or incur any Additional Obligations having a lien upon the Pledged Revenue or any part thereof that is superior to the lien of the Bond.

(b) Subject to the limitations of paragraph (a) above, the District may issue or incur Additional Obligations only with the prior written consent of the Owner.

(c) Nothing herein shall prevent the District from issuing or incurring obligations that are neither payable from nor constitute a lien on any of the Pledged Revenue.

Section 21. Additional Covenants. For so long as the Bond is outstanding, the District hereby covenants as follows:

(a) The District will continue to operate and manage the District in an efficient and economical manner in accordance with all applicable laws, rules and regulations, and will 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 such forms of insurance on insurable District property as would ordinarily be carried by governmental entities having similar properties of equal value and similar functions.

(d) Each District official or other person having custody of any Pledged Revenue, or responsible for the handling of such funds, will be fully bonded or insured against theft or embezzlement at all times to the extent required by law, which bond or insurance will be conditioned upon the proper application of such funds.

(e) The District will 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.

(f) The District shall at all times comply with all applicable laws of the State and the Service Plan.

Section 22. Defeasance. When all principal, premium, if any, and interest in connection with the Bond has been duly paid, the pledge and lien and all obligations of the District

hereunder with respect to the Bond shall thereby be discharged, and the Bond shall no longer be deemed to be outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the District has placed in escrow and in trust with a commercial bank located within or without the State, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested, which Federal Securities shall not be subject to redemption or prepayment at the option of the issuer thereof) to meet all requirements of principal, premium, if any, and interest in connection with the Bond, as the same becomes due to its final maturity or upon a designated prior redemption date. The Federal Securities shall not be subject to redemption or prepayment at the option of the issuer thereof, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

Section 23. Events of Default and Remedies. The occurrence or existence of any one or more of the following events shall be an Event of Default hereunder, 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 Resolution;
- (b) the District defaults in the performance of any other of its covenants in this Resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owner; 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 Bond.

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

Upon the occurrence and continuance of an Event of Default, the Owner may proceed to protect and enforce the rights of the Owner under this Resolution by mandamus or such other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction.

Section 24. Amendments to the Resolution. The District may, without the consent of or notice to the Owner, adopt amendments or supplements to this Resolution, which amendments or supplements 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 Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to

matters arising under this Resolution 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 Owner;

(b) to subject to this Resolution or pledge to the payment of the Bond additional revenues, properties or collateral; and

(c) to grant or confer upon the Owner any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Owner.

In addition to the amendments or supplements to this Resolution specified above, the Owner shall have the right, from time to time, to consent to and approve the adoption by the District of such amendments or supplements to this Resolution 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 Resolution; provided, however, that without the consent of the Owner, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of the Bond, in the principal amount of the Bond or the rate of interest thereon or in the terms of optional redemption of the Bond;

(b) an impairment of the right of the Owner to institute suit for the enforcement of any payment of the principal of or interest on the Bond when due;

(c) the creation of a privilege or priority of any interest payment over any other interest payment; or

(d) a change in the consent right of the Owner for any such amendatory or supplemental resolution.

If at any time the District shall desire to adopt an amendment or supplement to this Resolution that requires consent of the Owner, the District shall cause notice of the proposed adoption of such amendment or supplement to be given at least 15 days prior to the proposed date of adoption thereof by certified or registered first-class mail to the Owner at the address shown on the registration books maintained by the District, unless such notice is waived by the Owner. Such notice shall briefly set forth the nature of the proposed amendment or supplement and state that copies thereof are on file at the offices of the District or some other suitable location for inspection by the Owner.

Upon the execution of any amendment or supplement to this Resolution as provided herein, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the District and the Owner under this Resolution shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 25. Declarations and Findings. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines and declares that:

(a) the total aggregate amount of indebtedness of the District does not now, and upon the issuance of the Bond shall not, exceed any applicable limit prescribed by the constitution or laws of the State or the Service Plan;

(b) the issuance of the Bond is advantageous to the District and the taxpayers thereof; and

(c) the issuance of the Bond and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Service Plan and the constitution and laws of the State, including the Special District Act, the Supplemental Public Securities Act and any other applicable law imposed upon or relating to the issuance of the Bond.

(d) the Bond is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Tax Code.

Section 26. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., 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 of, premium, if any, or interest on the Bond. 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 Bond 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 27. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bond shall be commenced more than 30 days after the authorization of the Bond.

Section 28. Authorization to Execute Documents. The President or Vice President and Secretary or an Assistant Secretary of the District shall, and they are hereby authorized and directed, to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the Tax Certificate and such other certificates and affidavits as may be reasonably required by Bond Counsel. The execution by the President or Vice President of the District of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 29. Costs and Expenses. All costs and expenses incurred in connection with the issuance of the Bond shall be paid either from the proceeds of the Bond, from legally available moneys of the District or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 30. Actions on Non-Business Days. If the date for making any payment or performing any other action hereunder is not a Business Day, such payment may be made or other act performed on the next succeeding Business Day.

Section 31. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, issuance and delivery of the Bond, are hereby ratified, approved and confirmed.

Section 32. Resolution Irrepealable. After the Bond has been issued, this Resolution shall constitute a contract between the Owner and the District and shall be and remain irrepealable until the Bond and the interest accruing thereon shall have been fully paid, satisfied and discharged as herein provided.

Section 33. Repealer. All orders, bylaws and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

Section 34. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

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Section 35. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this _____ day of _____, 2018.

(S E A L)

President

ATTEST:

Secretary

EXHIBIT A
to
RESOLUTION

DEBT AUTHORIZATION APPROVED AT THE 2006 ELECTION

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. E**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO.2 TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS, TRAILS, PUBLIC PARKING LOTS, STRUCTURES AND FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN OVERPASSES, RETAINING WALLS, FENCING, ENTRY MONUMENTATION, STREETSCAPING, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, AND A SAFETY PROTECTION SYSTEM THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, SIGNALIZATION, SIGNING AND STRIPING, AREA IDENTIFICATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS AND EXTENSIONS OFFEND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED ___% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE

PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAYBE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO.2
BALLOT ISSUE NO. F**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO.2 TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATION FACILITIES, IMPROVEMENTS AND PROGRAMS, INCLUDING BUT NOT LIMITED TO COMMUNITY PARKS, BIKE PATHS AND PEDESTRIAN WAYS, FENCING, TRAILS, REGIONAL TRAILS, FIELDS, TOT LOTS, OPEN SPACE, CULTURAL ACTIVITIES, COMMON AREAS, COMMUNITY RECREATION CENTERS, TENNIS COURTS, OUTDOOR LIGHTING, EVENT FACILITIES, IRRIGATION FACILITIES, LAKES, WATER BODIES, SWIMMING POOLS, PUBLIC FOUNTAINS AND SCULPTURES, ART, GARDENS, LANDSCAPING, WEED CONTROL, AND OTHER ACTIVE AND PASSIVE RECREATIONAL FACILITIES, IMPROVEMENTS AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAYBE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR

THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAYBE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. G**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION AND DISTRIBUTION SYSTEM FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, AND TO PROVIDE ALL NECESSARY OR PROPER TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO WELLS, WATER PUMPS, WATER LINES, WATER FEATURES, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, WATER TAPS, IRRIGATION FACILITIES, CANALS, DITCHES, WATER RIGHTS, FLUMES, PARTIAL FLUMES, HEAD GATES, DROP STRUCTURES, STORAGE RESERVOIRS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONETIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR

AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. H**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAYBE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SANITATION SYSTEM WHICH MAY CONSIST OF STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, OR SOLID WASTE DISPOSAL FACILITIES OR WASTE SERVICES, AND ALL NECESSARY OR PROPER EQUIPMENT AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO TREATMENT PLANTS AND FACILITIES, COLLECTION MAINS AND LATERALS, LIFT STATIONS, TRANSMISSION LINES, CANALS, SLUDGE HANDLING, REUSE AND DISPOSAL FACILITIES, AND/OR STORM SEWER, FLOOD AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, INCLUDING DETENTION/RETENTION PONDS, BOX CULVERTS AND ASSOCIATED IRRIGATION FACILITIES, EQUIPMENT, LAND, EASEMENTS AND SEWER TAPS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY

IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. I**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAYBE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SAFETY PROTECTION SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED. TO TRAFFIC SIGNALS AND SIGNAGE, AND CONSTRUCTING UNDERPASSES OR OVERPASSES AT RAILROAD CROSSINGS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON

SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. J**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAYBE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAYBE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS THROUGH ANY MEANS NECESSARY, INCLUDING BUT NOT LIMITED TO EQUIPMENT, FACILITIES AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAYBE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. K**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$10,000,000 WITH A REPAYMENT COST OF \$40,000,000 OR SUCH LESSER AMOUNT AS MAYBE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$11,500,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE DISTRICT'S OPERATING AND MAINTENANCE EXPENSES, OR ADVANCES OF OPERATING AND MAINTENANCE EXPENSES MADE TO THE DISTRICT, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, SUCH DEBT TO BE INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, AND TO CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AND BE MADE PAYABLE FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING WITHOUT LIMITATION AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE DEBT WHEN DUE, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE PROCEEDS OF THE DEBT, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE DEBT, AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAYBE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. L**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DISTRICT'S DEBT, BUT NOT TO EXCEED THE MAXIMUM NET EFFECTIVE INTEREST RATE OF 15% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR AMOUNT OR WITH SUCH LIMITATIONS, ALL OF THE ABOVE AS MAYBE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAYBE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

**UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
BALLOT ISSUE NO. M**

SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$25,000,000 WITH A REPAYMENT COST OF \$100,000,000 OR SUCH LESSER AMOUNT AS MAYBE NECESSARY, AND SHALL UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT TAXES BE INCREASED \$28,750,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAYBE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO CONSIST OF INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS WITHOUT LIMIT AS TO TERM WITH ONE OR MORE POLITICAL

SUBDIVISIONS OF THE STATE, GOVERNMENTAL UNITS, GOVERNMENTALLY-OWNED ENTERPRISES, OR OTHER PUBLIC ENTITIES (THE "CONTRACTS"), WHICH CONTRACTS WILL CONSTITUTE MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS AND WHICH WILL OBLIGATE THE DISTRICT TO PAY, REIMBURSE OR FINANCE THE COSTS OF FINANCING, DESIGNING, ACQUIRING, CONSTRUCTING, COMPLETING OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, ANY PUBLIC IMPROVEMENT WHICH THE DISTRICT IS LAWFULLY AUTHORIZED TO PROVIDE, ALL AS MAYBE PROVIDED IN SUCH CONTRACTS, SUCH CONTRACTS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 15% PER ANNUM, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT TO EXCEED THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH SHALL AD VALOREM PROPERTY TAXES BE LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE OBLIGATIONS OF THE CONTRACTS WHEN DUE, THE PROCEEDS OF THE CONTRACTS, THE REVENUES FROM ALL TAXES, FROM REVENUE SHARING AGREEMENTS, ANY OTHER REVENUES USED TO PAY THE CONTRACTS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED 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, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAYBE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

* * *

EXHIBIT B
to
RESOLUTION
FORM OF BOND

The Bond has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction, and has been privately placed in reliance on exemptions from the registration requirements of the Securities Act and such laws. The transfer, pledge or other disposition of the Bond by the registered owner thereof is subject to the restriction that the purchaser or transferee of the Bond is required to be an "accredited investor" within the meaning of Section 11-59-110(1)(g), Colorado Revised Statutes, as amended ("C.R.S."), and to execute and deliver to the District an investor letter substantially in the form set forth in the hereinafter defined Resolution.

No. R-1

\$7,800,000

UNITED STATES OF AMERICA
STATE OF COLORADO
EL PASO COUNTY
CITY OF COLORADO SPRINGS

UPPER COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 2
LIMITED TAX GENERAL OBLIGATION BOND
SERIES 2018

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
6%	December 1, 2047	_____, 2018

Registered Owner:

Principal Amount: Seven Million, Eight Hundred Thousand and no/100 ***Dollars**

Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado (the "District"), a metropolitan 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 (as defined by the Resolution described below), to the Registered Owner named above (the "Owner"), 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 the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to _____, 2018, in which event this Bond shall bear interest from the Original Issue Date specified above, at the per annum Interest Rate specified above, payable annually on December 1 each year, commencing on December 1, 2018, until the Principal Amount of this Bond is paid in full.

This Bond is authorized and issued by the District for the purpose of paying the costs of providing certain public improvements for the District, by virtue of and in full conformity with the constitution and laws of the State of Colorado, including, without limitation, certain provisions of the "Supplemental Public Securities Act," being Part 2 of Article 57 of Title 11, C.R.S., and pursuant to a duly adopted resolution authorizing the issuance of the Bond (the "Resolution"). Pursuant to Section 11-57-210, C.R.S., the foregoing recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bond after its delivery for value.

The Bond and the interest thereon is payable solely from and to the extent of the Pledged Revenue as provided in the Resolution, including primarily the revenues derived from the limited exercise of the ad valorem taxing power of the District (the "Required Mill Levy"), and the Pledged Revenue is pledged to the payment of the Bond. *The Bond constitutes an irrevocable first lien upon the Pledged Revenue, but not necessarily an exclusive such lien.* Subject to the consent of the owner of the Bond, obligations in addition to the Bond may be issued and made payable from the Pledged Revenue and having a lien thereon that is on a parity with or subordinate and junior to, but not superior to, the lien thereon of the Bond.

THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS, A DEBT, AN OBLIGATION OR A LIABILITY OF THE CITY OF COLORADO SPRINGS, COLORADO (THE "CITY"), IN ANY MANNER. THE FAITH AND CREDIT OF THE CITY IS NOT PLEDGED IN ANY MANNER FOR THE REPAYMENT OF THIS BOND.

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; 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; that at the election lawfully held within the District on May 6, 2006, the incurrence of the indebtedness represented by this Bond was duly authorized by a majority of the electors of the District qualified to vote and voting at said election; 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 and interest on this Bond as the same respectively become due.

So long as the District imposes the Required Mill Levy and applies the Pledged Revenue as required by the Resolution, the insufficiency of Pledged Revenue available to pay the Principal Amount and interest on the Bond does not constitute an Event of Default under the Resolution. In such event, to the extent that the Principal Amount of this Bond is not paid when due, such Principal Amount will remain outstanding until paid; and to the extent that interest on this Bond is not paid when due, such unpaid interest will compound annually on each interest payment date, at the rate borne by this Bond; provided, however, that notwithstanding anything herein to the contrary, the District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and the Bond will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

The Principal Amount, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. The Principal Amount and premium, if any, of this Bond will be payable to the Owner hereof upon maturity or prior redemption and

presentation of this Bond at the principal office of the District. Payment of each installment of interest on this Bond will be made to the person or entity that is the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the "Record Date") as evidenced by the registration books for the Bond maintained by the District, and will be payable by check or draft of the District mailed on or before the interest payment date to such Owner at the address appearing in such registration books. Any interest not paid or duly provided for on the scheduled interest payment date therefor shall cease to be payable to the person who is the Owner of such Bond at the close of business on the Record Date for such interest payment date and instead shall be payable, together with interest thereon due as the result of compounding, to the person who is the Owner of such Bond at the close of business on the Record Date for the interest payment date on which such deferred or compounded interest is paid.

The District may make payments of interest on this Bond by such alternative means as may be mutually agreed to between the Owner and the District.

This Bond is subject to mandatory sinking fund redemption, in part, on December 1, 2018, and on each December 1 thereafter prior to the maturity date of this Bond, upon payment of the principal amount of the portion of this Bond to be redeemed plus accrued interest thereon to the redemption date in the amounts and on the dates set forth in Schedule I hereto. At least one Business Day prior to each payment date, or as soon thereafter as is practicable, the Owner shall send an invoice for principal and accrued interest due for the preceding period. Such principal and interest shall be due and payable on each payment date set forth in Schedule I hereto. All remaining principal plus all unpaid accrued interest shall be due and payable to the Registered Owner in full on the Maturity Date specified above. If this Bond is not paid upon presentation at maturity or upon prior redemption, interest shall continue to accrue thereon at the rate borne prior to maturity or prior redemption until the principal thereof is paid in full.

This Bond is subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, and without premium, on December 1, 2027, and on any date thereafter, upon payment of the redemption price (expressed as a percentage of the principal amount of the Bond being redeemed) of 100%, plus accrued interest to the redemption date.

The District may deem and treat the 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.

This Bond may be transferred by the Owner hereof in person or by his attorney duly authorized in writing, at the office of the District, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. **THIS BOND IS TRANSFERABLE ONLY TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SECTION 11-59-110(1)(g), C.R.S., WHO EXECUTES AND DELIVERS TO THE DISTRICT AN INVESTMENT LETTER SUBSTANTIALLY IN THE FORM SET FORTH IN THE RESOLUTION.** This Bond may be transferred upon the registration books upon delivery to the District of this Bond,

accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the District, 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 District is to enter the transfer of ownership in the registration books and authenticate and deliver in the name of the transferee a new fully registered Bond for the principal amount that such transferee is entitled to receive at the earliest practicable time.

The District shall not be required to issue or transfer this Bond: (a) during a period beginning at the close of business of the District on the Record Date and ending at the close of business of the District on the related interest payment date; or (b) during the period beginning on the day on which notice of optional redemption of this Bond, in full or in part, is mailed and ending at the close of business of the District on the related optional redemption date.

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

If the date for making any payment or performing any other action under the Resolution is not a business day (*i.e.*, a Saturday, a Sunday, a legal holiday or other day on which the principal office of the District is authorized or required by law to remain closed), such payment may be made or other act performed on the next succeeding business day.

The District has designated the Bond to be a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

By acceptance of this Bond or any interest herein, the Owner of this Bond shall be deemed to have (1) agreed and consented to all of the limitations in respect of the payment of the principal and interest on this Bond contained in this Bond, the Resolution and the District's Service Plan, (2) acknowledged that this Bond is not being registered under the Securities Act of 1933, as amended, is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state and that as of the Original Issue Date this Bond will not carry a rating from any rating service, and (3) acknowledged and agreed that this Bond, and any interest herein, may and shall be sold, transferred or otherwise disposed of only to purchasers who satisfy the conditions specified in the Resolution.

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

[Signature page follows]

IN TESTIMONY WHEREOF, the Board of Directors of Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the President or Vice 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 or an Assistant Secretary thereof, all as of the Original Issue Date specified above.

(S E A L)

**UPPER COTTONWOOD CREEK
METROPOLITAN DISTRICT NO. 2**

President or Vice President

ATTEST:

Secretary or Assistant Secretary

**SCHEDULE I
BOND PAYMENT DATES**

(December 1)	
Interest Payment and Mandatory Sinking Fund	
<u>Redemption Date</u>	<u>Principal Amount</u>
2018	\$115,000
2019	80,000
2020	85,000
2021	95,000
2022	95,000
2023	100,000
2024	110,000
2025	120,000
2026	125,000
2027	130,000
2028	140,000
2029	150,000
2030	155,000
2031	165,000
2032	175,000
2033	185,000
2034	200,000
2035	210,000
2036	220,000
2037	235,000
2038	250,000
2039	265,000
2040	280,000
2041	490,000
2042	520,000
2043	550,000
2044	585,000
2045	620,000
2046	655,000
*2047	695,000
*Maturity	\$7,800,000

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto:

Name and address of Assignee:

Social Security or Federal Employer
Identification Number of Assignee:

the within Bond and does hereby irrevocably constitute and appoint _____,
attorney, to transfer said Bond on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____

Signature of Registered Owner:

(NOTICE: The signature to this assignment must
correspond with the name of the Registered Owner as it
appears upon the face of the within Bond in every
particular, without alteration or enlargement or any
change whatever.)

Signature guaranteed:

(NOTICE: The signature to this assignment must be
guaranteed by an eligible guarantor institution (bank,
stockbroker, savings and loan association or credit union)
with membership in an approved guarantee medallion
program pursuant to Securities and Exchange
Commission Rule 17Ad-15.)

TRANSFER FEE MAY BE REQUIRED

* * *

EXHIBIT C
to
RESOLUTION

FORM OF INVESTMENT LETTER

Upper Cottonwood Creek Metropolitan District No. 2 _____, 2018
Colorado Springs, Colorado

Re: Upper Cottonwood Creek Metropolitan District No. 2, In the City of
Colorado Springs, El Paso County, Colorado, Limited Tax General
Obligation Bond, Series 2018

Ladies and Gentlemen:

In connection with its acquisition of Limited Tax General Obligation Bond, Series 2018 (the “Bond”), issued by the Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado (the “District”), pursuant to a resolution adopted by the Board of Directors of the District on _____, 2018 (the “Resolution”), the undersigned (the “Investor”) hereby represents, warrants and agrees as follows:

1. The Investor is an “accredited investor” within the meaning of Section 11-59-110(1)(g), Colorado Revised Statutes, as amended (“C.R.S.”), being an “accredited investor” as that term is defined under Sections 3(b) and (4)(2) of the Securities Act of 1933, as amended (the “Securities Act”), by regulation adopted thereunder by the Securities and Exchange Commission; the Investor is 21 years of age or older (if the Investor is an association, then each of its members are of such age); and if the Investor is a partnership, joint venture, corporation or trust, the Investor was not organized or reorganized for the specific purpose of acquiring the Bond. Specifically, the Investor comes within the following category or categories of the definition of “accredited investor” (check the appropriate categories):

- An institutional investor within the meaning of Rule 501(a)(1) of Regulation D of the Securities Act with total assets in excess of \$5,000,000:
 - A bank as defined in Section 3(a)(2) of the Securities Act, whether acting in its individual or fiduciary capacity;
 - A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
 - A broker or dealer registered pursuant to Section 15 of the federal Securities Exchange Act of 1934 (the “Exchange Act”);
 - An insurance company as defined in Section 2(a)(13) of the Securities Act;

- An investment company registered under the federal Investment Company Act of 1940 (the “Investment Company Act”) or business development company as defined in Section 2(a)(48) of the Investment Company Act;
 - A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
 - A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5 million; or
 - An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”) if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, that is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5 million or is a self-directed plan, if the investment decision is made solely by persons that are accredited investors;
- A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
 - An organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, with total assets in excess of \$5,000,000.
 - A natural person whose net worth (or whose joint net worth when combined with that of my spouse) exceeds \$1,000,000.
 - A natural person who had individual income in excess of \$200,000 in each of the last two years and/or such person and spouse have had combined income of \$300,000 in each of the past two years and reasonably expect such income to be at the same level in the current year.
 - A trust with in excess of \$5,000,000 in assets and not formed for the specific purpose of participating in this offering and managed by a sophisticated investor.
 - An entity all of whose equity owners are accredited investors.
2. The Investor has conducted an independent investigation of the legal and financial aspects of the Bond to determine whether an investment therein is consistent with the Investor’s investment objectives.
3. The Investor understands that there is a substantial degree of investment risk in purchasing and holding the Bond, and has sufficient knowledge and experience in financial and

business matters to be capable of evaluating the economic merits and risks of purchasing and holding the Bond. The Investor has made such inquiries and has had such opportunity to review information from the District and others to which the Investor, as a reasonable investor, would attach significance in making its investment decision relating to the purchase of the Bond.

4. In making its decision to purchase the Bond, the Investor has reviewed the Resolution, all other relevant documents referred to therein and such other documents as the Investor has deemed necessary, and the Investor understands the provisions thereof.

5. The Investor has performed its own financial analysis with regard to the District, the Bond, the financial condition or future prospects of the owners of property within the District, the current and proposed development within the District and the ability of the District to repay the Bond from the sources pledged thereto, the Investor has not relied upon the District or its officers, agents or attorneys with respect to the accuracy, completeness or truth of any statement made or omitted concerning such matters, and the Investor acknowledges that the District and its officers, agents and attorneys have made no representations relating to such matters or have undertaken any steps to ascertain the accuracy, completeness or truth of any statement made or omitted concerning any of the material facts relating to such matters.

6. The Investor understands that the Bond is payable solely from and to the extent of the Pledged Revenue, as defined in the Resolution.

7. The Investor understands that the Pledged Revenue defined in the Resolution and the amounts on deposit in the funds established by the Resolution may not be sufficient to pay the principal of and interest on the Bond when due; that the inability of the District to pay the principal of or interest on the Bond when they come due does not constitute an event of default under the Resolution; that the principal of the Bond that is not paid when due will remain outstanding until paid, and the interest on the Bond that is not paid when due will compound annually on each interest payment date for the Bond at the stated interest rate of the Bond; and that the District will be obligated to continue to levy the Required Mill Levy defined in the Resolution (subject to the mill levy limitation term contained in the District's Service Plan) until such time as the Bond is paid in full, provided that the District will not be obligated to pay more than the amount permitted by law and its electoral authorization in the Resolution in repayment of the Bond, and the Bond will be deemed to be defeased and no longer outstanding upon the expiration of such mill levy limitation term or the payment by the District of such amount.

8. The Investor understands that the Bond has not been registered under the Securities Act, article 59 of title 11, C.R.S. (the "Colorado Municipal Bond Supervision Act"), or any other applicable state securities or "Blue Sky" laws, but are being issued pursuant to exemptions from the registration requirements of such laws.

9. The Investor is acquiring the Bond for the Investor's own account with the present intent of holding them for investment and not with a view to the distribution, transfer or resale thereof; provided that nothing herein prohibits the Investor from selling the Bond, or any interest therein, in the future. The Investor hereby represents and agrees that it will not sell the Bond, or any interest therein, except in compliance with applicable laws, including, without

limitation, the Securities Act and the Colorado Municipal Bond Supervision Act. The Investor understands that there is no established secondary market for the Bond.

10. The Investor is aware that no credit rating has been sought or obtained with respect to the Bond.

11. The funds provided for this investment are either separate property, community property over which the signatory hereto has the right of control or are otherwise funds as to which the undersigned has the sole right of management.

12. The Investor agrees to indemnify the District and its officers, agents or attorneys for any loss that they may sustain or incur as a result of any action taken by the Colorado Division of Securities, the Securities and Exchange Commission or any other person or entity challenging the status of the Investor as an “accredited investor” within the meaning of the Colorado Municipal Bond Supervision Act or Regulation D of the Securities Act.

13. The Investor understands that by acceptance of the Bond or any interest therein, the Investor will be deemed to have (1) agreed and consented to all of the limitations in respect of the payment of the principal and interest on the Bond contained in the Bond, the Resolution and the District’s Service Plan (defined in the Resolution), (2) acknowledged that the Bond is not being registered under the Securities Act, is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state and that upon issuance the Bond will not carry a rating from any rating service, and (3) acknowledged and agreed that the Bond, and any interest therein, may and shall be sold, transferred or otherwise disposed of only to purchasers who satisfy the conditions specified in the Resolution.

14. The Investor recognizes that the sale of the Bond to the Investor is based upon the representations and warranties set forth herein, and agrees to indemnify the District and its officers, agents and attorneys and to hold them harmless, from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys’ fees, to which they may be put or that they may incur by reason of, or in connection with, any misrepresentation made by the Investor in this Investment Letter, any breach by the Investor of the warranties and/or failure to fulfill any of the covenants or agreements contained herein or arising out of the sale or distribution of the Bond by the Investor in violation of the Colorado Municipal Bond Supervision Act, the Securities Act or any other applicable securities or “Blue Sky” laws.

[Signature page follows]

The representations made in this Investment Letter shall survive the death or any dissolution or reorganization of the Investor.

Dated:

Signature of Investor

Name of Investor [please print]

Social Security or Tax Identification Number

EXHIBIT D
to
RESOLUTION

CERTIFICATION OF RESOLUTION

STATE OF COLORADO)
)
EL PASO COUNTY) ss.
)
UPPER COTTONWOOD CREEK)
METROPOLITAN DISTRICT NO. 2)

I hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Upper Cottonwood Creek Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado (the “District”), and further certify as follows:

1. The foregoing pages are a true and correct copy of a resolution (the “Resolution”) authorizing the issuance by the District of its Limited Tax General Obligation Bond, Series 2018, which Resolution was passed and adopted by the Board of Directors of the District (the “Board”) at a regular meeting of the Board (the “Meeting”) held at 111 South Tejon Street, Suite 222 in Colorado Springs, Colorado, on _____ day, _____, 2018, at the hour of _____.m., at which Meeting a quorum of the Board was present.

2. The Resolution was duly moved and seconded and the Resolution adopted at the Meeting by an affirmative vote of a majority of the members of the Board as follows:

Director	Moved	Seconded	“Aye”	“Nay”	Absent	Abstain

3. The members of the Board were present at the Meeting and voted on the passage of the Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the President of the Board, sealed with the District seal, attested by the Assistant Secretary of the Board and recorded in the minutes of the Board.

5. Attached hereto is a copy of the notice of the Meeting, which notice was posted in accordance with law.

6. There are no bylaws, rules or regulations of the Board which prevent the immediate adoption of the Resolution set forth in the foregoing proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this ____ day of _____, 2018.

(SEAL)

Secretary

(Attach Notice of Meeting)