

RESOLUTION

AUTHORIZING THE ISSUANCE OF CERTAIN SPECIAL REVENUE BONDS OF THE USAFA VISITOR'S CENTER BUSINESS IMPROVEMENT DISTRICT TO FINANCE THE CONSTRUCTION OF A USAFA VISITORS CENTER AND CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE DISTRICT; PROVIDING FOR OTHER MATTERS RELATED TO SUCH BONDS AND THE SECURITY THEREFOR; AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY.

WHEREAS, the USAFA Visitor's Center Business Improvement District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado (the "State"), duly and regularly created as a business improvement district under the Constitution and laws of the State, in particular Title 31, Article 25, Part 12, C.R.S. (the "Act"), and pursuant to an ordinance adopted by the City Council (the "City Council") of the City of Colorado Springs, Colorado (the "City"); and

WHEREAS, the District was organized for the purpose of providing for the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of the services and public improvements necessary to support the development of an approximately 38 acre commercial mixed-use development located near the north entrance to the United States Air Force Academy; and

WHEREAS, the approximately 38 acre parcel (the "Leased Premises") is owned by the United States Air Force Academy (the "USAFA") and will be developed by Blue & Silver Development Partners, LLC (the "Developer") through a long term lease arrangement with the USAFA in accordance with a certain Site Development Lease; and

WHEREAS, to further the development of the Leased Premises, the Board of Directors of the District (the "Board") has determined, and now hereby determines, that it is in the best interest of the District to enter into a sublease agreement with the Developer (the "BID Sublease Agreement") that subleases a portion of the Leased Premises (the "Visitor Center Lot") to the District and sets forth various provisions related to the design, acquisition, construction, completion and installation of the USAFA Visitors Center (defined therein) on the Visitor Center Lot; and

WHEREAS, the Board has determined, and hereby determines, that it is in the best interest of the District to design, acquire, construct, complete and install the USAFA Visitors Center in accordance with the terms and provisions of the BID Sublease Agreement and to design, construct and install improvements and infrastructure that are necessary or convenient for

the development of the Leased Premises, and which are permitted by the Act (collectively, the “Project”); and

WHEREAS, at a regular election of the qualified electors of the District, duly called and held on November 6, 2018 (the “Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities in certain categories and in certain maximum principal amounts as set forth below:

<u>Purpose</u>	<u>Principal Amount of Authorization Voted</u>
Revenue Debt	\$50,000,000
Water	50,000,000
Sanitation	50,000,000
Streets	50,000,000
Traffic and Safety	50,000,000
Parks and Recreation	50,000,000
Transportation	50,000,000
Dry Utilities	50,000,000
Mosquito	5,000,000
Security Services and Improvements	50,000,000
Business Recruitment	50,000,000
Operations and Maintenance	10,000,000
Refunding	150,000,000
Reimbursement Agreements	50,000,000

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared and certified; and

WHEREAS, the District has not previously issued any debt pursuant to the authority conferred at the Election; and

WHEREAS, the District has the power and authority to issue bonds (which may include notes, certificates of indebtedness, debentures or other contractual obligations) pursuant to the Act and the Supplemental Public Securities Act, constituting Sections 11-57-201 et seq., C.R.S. (the “Supplemental Act”), to finance the activities or operations permitted and authorized to be undertaken by the District under the Act, the Election, and its Operating Plan; and

WHEREAS, the Board has determined, and now hereby determines, that it is in the best interests of the District to issue its: (a) Special Revenue Bonds, Series 2019A (the “Series 2019A Bonds”), and (b) Special Revenue Bonds, Taxable Series 2019B (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Senior Bonds”), pursuant to an Indenture of Trust (Senior)(the “Senior Indenture”) between the District and BOK, N.A., as trustee (the “Trustee”)

for the purpose of financing a portion of the Project, funding a reserve fund for the Bonds, funding capitalized interest, and paying the costs of issuance of the Senior Bonds; and

WHEREAS, the Board has determined, and now hereby determines, that it is in the best interest of the District to issue its Subordinate Special Revenue Bonds, Series 2019C (the “Subordinate Bonds” and together with the Senior Bonds, the “Bonds”) on or about the date of issuance of the Senior Bonds pursuant to an Indenture of Trust (Subordinate)(the “Subordinate Indenture” and together with the Senior Indenture, the “Indentures”) between the District and the Trustee, for the purpose of financing an additional portion of the Project and paying the costs of issuance of the Subordinate Bonds; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indentures; and

WHEREAS, the Board has determined, and now hereby determines, that the Bonds will be issued to finance the construction of capital improvements with a public purpose necessary for development; and

WHEREAS, the property within the District has a City approved Master Plan and related land use approvals; and

WHEREAS, the City Council of the City has approved the issuance of the Bonds as required by Section 7-100 of the City Charter; and

WHEREAS, the Bonds will be issued in minimum denomination of \$100,000 and will initially be sold only to either accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 or to the developers of property within the District; and

WHEREAS, in order to secure the payment of the Bonds, the Board has determined, and now hereby determines, that it is in the best interests of the District to enter into a certain Pledge Agreement (the “Pledge Agreement”) with the Colorado Springs Urban Renewal Authority (the “Authority”), pursuant to which the Authority will agree to remit certain Authority Pledged Revenue to the Trustee to secure the payment of the Bonds; and

WHEREAS, the Board has determined, and hereby determines, that the Senior Bonds shall be payable solely from the Pledged Revenue (as defined in the Senior Indenture) and that the Subordinate Bonds shall be payable solely from the Subordinate Pledged Revenue (as defined in the Subordinate Indenture); and

WHEREAS, there have been filed with the Secretary of the District (the “Secretary”) forms of the following documents: (i) the Senior Indenture, (ii) the Subordinate Indenture, (iii) the Pledge Agreement, (iv) the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) relating to the Bonds; (v) the Bond Purchase Agreement (the “Bond Purchase Agreement”) between the District and the underwriter of the Bonds (the “Underwriter”); (vi) a Preliminary Limited Offering Memorandum relating to the Bonds (the “Preliminary Limited Offering Memorandum”); and (vii) the BID Sublease Agreement; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the “Supplemental Act”), provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, pursuant to Section 31-25-1209(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the members of the Board who took official action at this meeting (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 Directors 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, and all such Directors have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests, and the participation of the Directors is necessary to obtain a quorum or otherwise enable the Board to act; and

.WHEREAS, all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the authorization of the Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, it is appropriate for the Board to adopt this Resolution at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE USAFA VISITOR’S CENTER BUSINESS IMPROVEMENT DISTRICT, AS FOLLOWS:

Section 1. Ratification and Approval of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board, the officers of the District and otherwise by the District directed toward the acquisition, construction and installation of the Project, and the sale, issuance and delivery of the Bonds for those purposes, are ratified, approved, and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution, the laws of the State of Colorado and the Act, that the financing of the acquisition, construction and installation of the Project, and the issuance of the Bonds in connection therewith, in accordance with the parameters set forth in this Resolution and pursuant to the terms and provisions set forth in the Sale Certificate (hereafter defined) and the Indentures, is necessary, convenient and in furtherance of the District’s purposes and is in the best interests of the District and the Board hereby authorizes and approves the same.

Section 3. Authorization of Bonds. To provide funds to finance the cost of the Project and finance the costs of issuance of the Bonds, there is hereby authorized and created three issues of revenue bonds of the District designated as its: (i) Special Revenue Bonds, Series 2019A (the “Series A Bonds”); (ii) Special Revenue Bonds, Taxable Series 2019B (the “Series 2019B Bonds”), and (iii) Subordinate Special Revenue Bonds, Series 2019C (the “Series 2019C Bonds”). Each series of Bonds shall be dated, shall bear interest, shall be subject to redemption prior to maturity and shall mature as provided in the applicable Indenture, and as set forth in the Sale Certificate.

Section 4. Supplemental Act; Parameters. The Board hereby elects to apply all of the Supplemental Act to the Bonds and in connection therewith delegates to each of the President of the District (the “President”) or any Director of the District (a “Director”) the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, to accept and sign the Bond Purchase Agreement, to make determinations in relation to the Bonds, and to execute a sale certificate (the “Sale Certificate”) setting forth such determinations, without any requirement that the Board approve such determinations, including without limitation, the date that the Bonds will be issued and delivered to the Underwriters, subject to the following parameters and restrictions:

(a) The maximum principal amount of the Series 2019A Bonds shall be \$20,000,000; the maximum principal amount of the Series 2019B Bonds shall be \$52,000,000; and the maximum principal amount of the Series 2019C Bonds shall be \$15,000,000.

(b) The final maturity of the Series 2019A Bonds shall be no later than December 1, 2051; the final maturity of the Series 2019B Bonds shall be no later than December 1, 2051; and the final maturity of the Series 2019C Bonds shall be no later than December 1, 2059.

(c) The maximum net effective interest rate of the Series 2019A Bonds shall not exceed 7.0%; the maximum net effective interest rate of the Series 2019B Bonds shall not exceed 8.5%; and the maximum net effective interest rate of the Series 2019C Bonds shall not exceed 10.0%.

(d) The aggregate principal amount, the maximum annual repayment cost and the total repayment cost of the Bonds shall not exceed the amounts authorized in each applicable ballot question and in the notice of election sent to the voters in connection with the Election.

(e) The redemption premium of any series of the Bonds shall not exceed 3% of the principal amount so redeemed pursuant to the Act.

(f) The net purchase price of the Series 2019A Bonds shall not be less than 95% of the original principal amount of the Series 2019A Bonds; the net purchase price of the Series 2019B Bonds shall not be less than 95% of the original principal amount of the Series 2019B Bonds; and the net purchase price of the Series 2019C Bonds shall not be less than 95% of the original principal amount of the Series 2019C Bonds.

Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to each of the President or any Director the authority to determine the Underwriters for the Bonds and to sign a contract for the purchase of the Bonds or to accept a binding bid for the Bonds and to execute any agreement or agreements in connection therewith, including the execution of the Bond Purchase Agreement, but such Bond Purchase Agreement to be executed and delivered in connection with the Bonds may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and as the

President or any Director shall approve, the execution thereof being deemed conclusive approval of any such changes by the District.

The delegation set forth in this Section 4 shall be effective for one year following the date hereof.

Section 5. Approval of Documents. The Senior Indenture, the Subordinate Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Pledge Agreement and the BID Sublease Agreement, in substantially the forms thereof presented to the Board and filed with the Secretary, are in all respects approved, authorized and confirmed, but such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and as the President or any Director shall approve, the execution thereof being deemed conclusive approval of any such changes by the District. The President is hereby authorized and directed to execute and deliver the Indentures, the Continuing Disclosure Agreement, the Pledge Agreement and the BID Sublease Agreement for and on behalf of the District. The Sale Certificate and the Bond Purchase Agreement shall be executed by either the President or any Director as authorized pursuant to Section 4 hereof.

Section 6. Limited Offering Memorandum. The Preliminary Limited Offering Memorandum and its use and distribution in connection with the sale of the Bonds is hereby ratified and approved. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Limited Offering Memorandum if deemed necessary by the Underwriters in connection with the marketing of the Bonds and a final Limited Offering Memorandum (collectively, the Preliminary Limited Offering Memorandum, any supplement thereto and the final Limited Offering Memorandum shall be referred to herein as the "Limited Offering Memorandum"). The Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President of the District is hereby authorized and directed to execute the Limited Offering Memorandum on behalf of the District. The execution of the Limited Offering Memorandum by the President shall be conclusively deemed to evidence the approval of the form and contents thereof by the District.

Section 7. Approval of Form of Bonds. The form, terms and provisions of the Bonds, in the respective forms contained in the Indentures and upon the terms to be set forth in the Sale Certificate, are hereby approved, with such changes therein as are approved by the President or any Director; and the manual or facsimile signature of the President is hereby authorized and directed to be placed on the Bonds, the seal of the District, or a facsimile thereof, is hereby authorized and directed to be affixed to the Bonds, and the Secretary is hereby authorized and directed to attest the Bonds by manual or facsimile signature, in accordance with the Indentures and the Act.

Section 8. Authorization to Execute Collateral Documents. The Secretary is hereby authorized and directed to attest all signatures and acts of any official of the District in connection with the matters authorized by this Resolution and to place the seal of the District on

any document authorized and approved by this Resolution. The President, the Secretary, the Treasurer, any Director and other officers and employees of the District are hereby authorized and directed to execute and deliver for and on behalf of the District any and all additional certificates, documents and other papers, and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by the President or any Director prior to the execution of the documents. The execution of any instrument by the appropriate officers and employees of the District herein authorized shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms hereof.

Section 9. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bonds specifically waives any such recourse.

Section 10. Resolution Irrepealable. After the Bonds are issued, this Resolution shall be and remain irrepealable, and may not be amended except in accordance with the Indentures, until the Bonds and the interest thereon shall have been fully paid, canceled and discharged in accordance with the Indentures.

Section 11. Repealer. All bylaws, orders and resolutions of the District, or parts thereof, inconsistent with this Resolution or with any of the documents hereby approved, are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution of the District, or part thereof.

Section 12. Severability. If any section, paragraph, clause or provision of this Resolution or the documents hereby authorized and approved 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 or such documents.

Section 13. Effective Date. This Resolution shall be in full force and effect upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this _____, 2019.

USAFA VISITOR'S CENTER BUSINESS
IMPROVEMENT DISTRICT

President

(SEAL)

Attest:

Secretary