

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF SERIES 2014B LIMITED TAX GENERAL OBLIGATION BONDS BY THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2

WHEREAS, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the formation and service plan of the Banning Lewis Ranch Metropolitan Districts No. 1-7 (the "Districts") by Resolution No. 162-05 adopted on September 13, 2005; and

WHEREAS, City Council has subsequently approved an Amended and Consolidated Plan (the "Service Plan") for the Districts No. 1-5 and 7 consistent with the Policy, by Resolution No. 52-08 adopted on March 11, 2008; and

WHEREAS, City Council has additionally approved a minor amendment of the Service Plan, by Resolution No. 118-09 adopted on May 26, 2009; and

WHEREAS, City Council approved the issuance of up to \$8,500,000 in initial debt for Banning Lewis Ranch Metropolitan District No. 2 "(the District") in the form of a bank loan, by Resolution No. 33-13 adopted on April 9, 2013, and that debt has subsequently been issued by the District; and

WHEREAS, The District now desires to issue additional debt in the form of 2014 Series B limited tax general obligation tax bonds in an amount not to exceed \$3,000,000, which bonds shall be subordinate to the 2013 initial District debt; and

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

WHEREAS, the District has submitted for review, and the City Council has reviewed, various bond documents, including the Bond Resolution (the "Bond Documents"); and

WHEREAS, the District, having satisfied the conditions of approval and other Service Plan prerequisites, requests approval of the proposed bond issues; and

WHEREAS, the City Council has considered the proposed bond issue as well as all other testimony and evidence presented at the April 22, 2014 City Council meeting; and

WHEREAS, it appears to the City Council that the proposed bond issue should be approved as provided in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The above and foregoing recitals are incorporated herein by reference and are adopted as findings and determinations of the City Council.

Section 2. The proposed bond issue as described in the Bond Documents is hereby approved provided, however, that the bonds shall be solely an obligation of the District, as appropriate; and the City shall have no liability or other responsibility therefore, and receipt of the form disclosure is further acknowledged and approved.

Section 3. The District, having stated it is in compliance with the Service Plan, is hereby authorized to issue bonds in the structure substantially similar and consistent with the Bond Documents, which are hereby approved subject to changes and revisions as may be approved by City staff.

Section 4. Issuance of these 2014 Series B bonds shall represent the final and last obligation of this District to issue debt for the purpose of meeting any obligations associated with developer funding agreements, including but not limited to the existing Annual Appropriation Obligation.

Section 5. District No. 2 shall not be obligated under any circumstances to assess end user capital debt service fees on property owners within the District for the purpose servicing this debt.

Section 6. This approval shall be effective for a maximum of one (1) year from the date of this resolution. If the District desires to issue this bond any time after April 22, 2015 a new City Council approval will be required.

Section 7. This resolution shall be effective upon its approval by City Council.

Dated at Colorado Springs, Colorado, the 22<sup>nd</sup> day of April 2014.

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Keith King, Council President

ATTEST:

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Sarah B. Johnson, City Clerk