

## RESOLUTION

**A RESOLUTION AUTHORIZING THE ISSUANCE BY THE SANDS METROPOLITAN DISTRICT NO. 2 OF LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2020, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,315,000, FOR THE PURPOSE OF FUNDING PUBLIC CAPITAL IMPROVEMENTS THAT BENEFIT THE DISTRICT; AND AUTHORIZING AND APPROVING VARIOUS MATTERS INCIDENT THERETO.**

## RECITALS

**WHEREAS**, The Sands Metropolitan District No. 2 (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 (the “State”), including specifically, but without limitation, Article 1 of Title 32 of the Colorado Revised Statutes, as amended (“C.R.S.”), referred to therein as the “Special District Act”; and

**WHEREAS**, the District is located entirely within the boundaries of the City of Colorado Springs, Colorado (the “City”); and

**WHEREAS**, the District was organized contemporaneously with The Sands Metropolitan District No. 1 (“District No. 1”), The Sands Metropolitan District No. 3 (“District No. 3”) and The Sands Metropolitan District No. 4 (“District No. 4,” and together with the District, District No. 1 and District No. 3, the “Districts”). The District, District No. 1 and District No. 3 are referred to herein as “Districts 1-3”; and

**WHEREAS**, organization of the Districts was preceded by the approval of a consolidated Service Plan for the Districts by the Board of County Commissioners of El Paso County, Colorado (the “County”) on October 4, 2016, as amended and restated for Districts 1-3 by the City Council of the City (the “City Council”) on November 1, 2019 (as amended and restated, the “Service Plan”); and

**WHEREAS**, at the organizational election for the District lawfully held on November 8, 2016 (the “Election”), a majority of those qualified to vote and voting at such Election voted in favor of, among other things, the issuance of general obligation indebtedness by the District, and the imposition of taxes by the District for the payment thereof, for the purposes of financing the costs of providing various capital improvements, the questions relating thereto being set forth in Exhibit A to this Resolution and incorporated herein by reference; and

**WHEREAS**, the returns of the Election were duly canvassed and the result thereof duly declared and timely certified by the District as required by law; and

**WHEREAS**, the District has not heretofore issued or incurred any indebtedness authorized at the Election; and

**WHEREAS**, as contemplated by the Service Plan, the Districts have entered into that certain Intergovernmental Agreement Concerning District Operations and Outstanding Reimbursement Obligations, dated as of December 13, 2016 (as the same may be amended or restated from time to time, the “Master IGA”), for the purpose of establishing the respective roles, responsibilities and obligations of the Districts with respect to the financing, construction, operation and maintenance of certain public improvements and, in accordance with and subject to the limitations of the Master IGA, (i) District No. 1 is to be the operating district and responsible for the design, acquisition, installation, construction, financing and limited operation and maintenance of the public improvements and provision of certain administrative services on behalf of the other Districts, and (ii) the other Districts are to be the financing districts and fund the costs of such administrative, operation and maintenance services provided by District No. 1 as well as the costs of construction of additional public improvements, which funding obligations are to be subordinate to any bonds that may be issued by the Districts; and

**WHEREAS**, Districts 1-3 have entered into that certain Intergovernmental Agreement dated as of June 6, 2018 (as the same may be amended or restated from time to time, the “City IGA”), by and between the City and Districts 1-3, for the purpose of transferring the approval authority and authorizing jurisdiction for Districts 1-3, and any property annexed to the City, from the County to the City, adopting the City’s Model Service Plan, with the Maximum Mill Levies provided for in the City IGA; and

**WHEREAS**, in furtherance of the Service Plan and the Master IGA, and in order to facilitate the provision of the public improvements contemplated by the Service Plan (the “Public Improvements”), the Districts and Eagle Development Company, a Colorado corporation (the “Developer”), entered into that certain Advance and Reimbursement Agreement (Capital Costs) and that certain Funding and Reimbursement Agreement (Operations and Maintenance Costs), and that certain Improvement and Acquisition Agreement, each dated December 13, 2016 (the “Developer Agreements”), pursuant to which the Developer agreed to fund the acquisition, construction and installation of Public Improvements authorized by the Service Plan and the debt for which was approved by the electors of the Districts, and the Districts have agreed to reimburse the Developer for the eligible capital costs of such Public Improvements or to acquire such public improvements from the Developer; and

**WHEREAS**, pursuant to the Master IGA, the Districts are obligated to fund amounts outstanding under the Developer Agreements; and

**WHEREAS**, various Public Improvements for the Districts authorized by the Service Plan have been undertaken and funded by the Developer pursuant to the Developer Agreements; and

**WHEREAS**, the District has received a request from the Developer for reimbursement of certain capital costs of such Public Improvements advanced by the Developer, and the Board of Directors of the District has accepted such costs as eligible for reimbursement to the Developer; and

**WHEREAS**, it has been determined by the Boards of Directors of Districts 1-3 that it would be in the best interests of Districts 1-3 and the current and future residents, property owners and taxpayers thereof for the District to issue or incur indebtedness for the purpose of funding the

costs of the Public Improvements that do or will confer a general benefit to property within the District and Districts No. 1 & 3; and

**WHEREAS**, Districts No. 1 & 3 have previously entered into a Pledge Agreement dated as of October 9, 2018 (the “District 3 Pledge Agreement”) with respect to indebtedness issued or incurred by the District to fund Public Improvements that do or will confer a general benefit to property within the District as well as property within such other Districts 1-3, and pursuant to which District No. 3 has agreed to impose an ad valorem mill levy of not more than 35 mills (as may be adjusted for constitutional or statutory mandated adjustments occurring after January 1, 2017) (the “District No. 3 Pledge Agreement Mill Levy”) for the annual payment of financing obligations, including bonds or notes issued by the District; and

**WHEREAS**, District No. 1 and the District have entered into a Pledge Agreement dated as of September 1, 2020 (the “District 1 Pledge Agreement”) with respect to indebtedness issued or incurred by the District to fund Public Improvements that do or will confer a general benefit to property within the District as well as property within District No. 1, and pursuant to which District No. 1 has agreed to impose an ad valorem mill levy of not more than 40 mills (as may be adjusted for constitutional or statutory mandated adjustments occurring after January 1, 2006) (the “District No. 1 Pledge Agreement Mill Levy”) for the annual payment of financing obligations, including bonds or notes issued by the District; and

**WHEREAS**, there has been presented to Districts 1-3 a report from CliftonLarsonAllen LLP, that identifies (i) the Public Improvements that are eligible for reimbursement pursuant to the Developer Agreements and the Service Plan and which do or will confer a general benefit to all property within the District and other Sands Districts 1 & 3, which report is set forth in Exhibit C to this Resolution and incorporated herein by reference; and

**WHEREAS**, the Board of Directors of the District (the “Board”) has heretofore determined and hereby determines that it is necessary and in the best interests of the District and the residents, property owners and taxpayers thereof to reimburse the Developer for certain of the costs of Public Improvements benefitting the property in the District that are eligible for reimbursement to the Developer pursuant to the Developer Agreements and the Service Plan (as more particularly defined hereafter, the “Project”), and to fund the Project by the issuance of limited tax general obligation bonds of the District in the aggregate principal amount of \$12,315,000 (as more particularly defined hereafter, the “Series 2020 Bonds”); and

**WHEREAS**, the Series 2020 Bonds will constitute limited mill levy obligations of the District payable solely from the revenue pledged thereto by this Resolution (as more particularly defined hereafter, the “Pledged Revenue”), consisting primarily of the revenue to be derived from ad valorem property taxes imposed by the District pursuant to this Resolution and by District No. 1 pursuant to the District No. 1 Pledge Agreement and by District No. 3 pursuant to the District No. 3 Pledge Agreement; and

**WHEREAS**, ownership of the Series 2020 Bonds will be limited solely to “accredited investors” within the meaning of Article 59 of Title 11, C.R.S. (the “Municipal Bond Supervision Act”), and as such the Series 2020 Bonds will be exempt from registration with the Colorado Division of Securities; and

**WHEREAS**, the Series 2020 Bonds will be issued in the name of and delivered to the Developer or to an entity designated by the Developer, subject in either case to the limitations set forth in the Section hereof captioned “Limitation on Ownership,” as reimbursement to the Developer for capital costs of Public Improvements advanced by the Developer pursuant to the Developer Agreements and which have been accepted as eligible for reimbursement to the Developer; and

**WHEREAS**, the Series 2020 Bonds will be issued solely to financial institutions or institutional investors within the meaning of Section 32-1-1101(6)(a)(IV), C.R.S., and as such will constitute an exception to the debt limit prescribed by Section 32-1-1101(6)(a), C.R.S.; and

**WHEREAS**, the Series 2020 Bonds when issued will not exceed any applicable limit prescribed by the constitution or laws of the State or the Service Plan; and

**WHEREAS**, the City Council of the City has approved the issuance of the Series 2020 Bonds by at least a two-thirds vote of the entire City Council; and

**WHEREAS**, there is an Approved Development Plan (as defined in the Service Plan) in place prior to the issuance of the Series 2020 Bonds; and

**WHEREAS**, the Board has determined to elect to apply all of the provisions of Part 2 of Article 57 of Title 11, C.R.S. (the “Supplemental Public Securities Act”), to the Series 2020 Bonds; and

**WHEREAS**, the District has sufficient debt authorization available from the Election to allocate to the Series 2020 Bonds, which allocation shall be made in accordance with the purposes for which the reimbursed amounts were expended and shall be set forth in such other documents or certificates as may be executed by the District in connection with the issuance of the Series 2020 Bonds; and

**WHEREAS**, there has also been presented to the Board at or prior to this meeting the substantially final form of the proposed Post-Issuance Tax Compliance Procedures of the District; and

**WHEREAS**, the Board desires to authorize the issuance and sale of the Series 2020 Bonds, authorize the forms and the execution and delivery by the District of the Post-Issuance Tax Compliance Procedures and such other agreements, certificates, documents and instruments as may be necessary to effect the intent of this Resolution, and authorize and approve various other matters in connection with the issuance and sale of the Series 2020 Bonds; and

**WHEREAS**, pursuant to Section 32-1-902(3), C.R.S., and Section 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 Directors have made disclosure of their personal and private interests relating to the issuance of the Series 2020 Bonds in writing to the Secretary of State and the Board; and such Directors have stated for the record immediately prior to the adoption of this Resolution the fact that they have said interests and the summary nature of such interests and the participation of such Directors is necessary to obtain a quorum or otherwise enable the Board to act;

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

**Section 1. Definitions.** In addition to the terms defined in the Recitals to this Resolution, which are incorporated in this section by reference, the following terms as used in this Resolution shall have the meanings set forth below unless the context indicates otherwise. All such defined terms importing the singular include the plural and *vice versa*.

“*Additional Obligations*” means (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 or any part of the Pledged Revenue, (c) all obligations of the District evidenced by bonds, debentures, notes or other similar instruments, including, without limitation, any Parity Obligations and 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, “*Additional Obligations*” do not include: (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 (A) no amounts due or to become due on such obligations are payable from the District’s debt service mill levy, and (B) no amounts due or to become due on such obligations are payable from a District operations and maintenance mill levy in excess of that permitted by the Service Plan (after taking into account the Required Mill Levy if the Service Plan then establishes a combined limit for debt service and operation and maintenance mill levies); (ii) obligations issued for any purpose 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 (A) such obligations are payable only to the extent the District has excess moneys on hand, (B) such obligations are payable in any Fiscal Year only after the last scheduled payment of principal or interest on the Series 2020 Bonds in such Fiscal Year, and (C) the District makes no promise to impose any tax, fee or other governmental charge for the payment of such obligations; (iii) obligations which are payable solely from the proceeds of *Additional Obligations* when and if issued; (iv) obligations payable solely from periodic recurring service charges imposed by the District for the use of any District facility or service if such 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 principal or interest on any Parity Obligations or Subordinate Obligations, and (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the Parity Obligations or Subordinate Obligations has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources and with the same or a subordinate lien priority as the Parity Obligations or Subordinate Obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and (vi) any operating leases, payroll obligations, accounts payable or taxes incurred or payable in the ordinary course of business of the District.

“*Authorized Denominations*” means \$100,000 or any integral multiple of \$1 in excess thereof.

“*Bond Counsel*” means (a) as of the Issue Date, Kline Alvarado Veio, P.C., and (b) as of any other date, such attorney or attorneys selected by the District with nationally recognized expertise in public finance.

“*Bond Register*” means the record maintained by the Registrar that lists the names and addresses of the Owners of the Series 2020 Bonds.

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

“*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.

“*District No. 1 Pledge Agreement*” means the Pledge Agreement dated as of September 1, 2020, by and among District No. 1 and the District.

“*District No. 1 Pledge Agreement Mill Levy*” has the meaning as set forth in the recitals hereof.

“*District No. 1 Pledge Agreement Mill Levy Revenues*” means all moneys derived by the District from the imposition of the District No. 1 Pledge Agreement Mill Levy in accordance with the provisions of the District No. 1 Pledge Agreement.

“*District No. 3 Pledge Agreement*” means the Pledge Agreement dated as of October 9, 2018, by and among District No. 1 and District No. 3.

“*District No. 3 Pledge Agreement Mill Levy*” has the meaning as set forth in the recitals hereof.

“*District No. 3 Pledge Agreement Mill Levy Revenues*” means all moneys derived by the District from the imposition of the District No. 3 Pledge Agreement Mill Levy in accordance with the provisions of the District No. 3 Pledge Agreement.

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

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

“*Interest Payment Date(s)*” means the scheduled dates for payment of interest on the Series 2020 Bonds, being each June 1 and December 1, commencing December 1, 2020.

“*Issue Date*” means the date Series 2020 Bonds are issued and delivered to the initial Owner.

“*Outstanding*” or “*outstanding*” mean, as of any particular time, all Series 2020 Bonds which have been duly authenticated and delivered by the Registrar under this Resolution, except:

(a) Series 2020 Bonds theretofore cancelled by the Registrar or delivered to the Registrar for cancellation because of payment at maturity or prior redemption;

(b) Series 2020 Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Section hereof captioned “Defeasance”) shall have been placed in escrow and in trust; and

(c) Series 2020 Bonds in lieu of which other Series 2020 Bonds have been authenticated and delivered pursuant to the Sections hereof entitled “Registration, Exchanges and Transfers; Restrictions on Transfer” or “Replacement Series 2020 Bonds.”

“*Owner*” means the registered owner of any Series 2020 Bond as shown by the Bond Register.

“*Parity Obligations*” means Additional Obligations having a lien upon the Pledged Revenue, or any part thereof, which is on parity with the lien thereon of the Series 2020 Bonds.

“*Paying Agent*” means initially the District, or an entity appointed pursuant to the Section hereof captioned “Successor Paying Agent and/or Registrar,” which shall perform the function of paying agent with respect to the Series 2020 Bonds.

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

“*Pledged Revenue*” means:

(a) all Property Tax Revenues;

(b) all Specific Ownership Revenues;

(c) District No. 1 Pledge Agreement Mill Levy Revenues;

(d) District No. 3 Pledge Agreement Mill Levy Revenues; and

(e) any other legally available moneys that the Board determines in its sole discretion to credit to the Series 2020 Bond Fund.

“*Project*” means the acquisition, construction and installation of certain Public Improvements authorized by the Service Plan and the debt for which was approved at the Election, including, without limitation, necessary or appropriate equipment, including reimbursement to the Developer of eligible costs of such facilities or the acquisition of such facilities pursuant to the Developer Agreements, but only if and to the extent that such Public Improvements confer a general benefit to all property in the District.

“*Project Costs*” means the costs properly attributable to the Project or any part thereof to the extent permitted by the Service Plan, including those costs of the Project accepted as eligible for reimbursement to the Developer pursuant to the Developer Agreements by resolution adopted by the Board of Directors of the District.

“*Property Tax Revenues*” means all moneys derived by the District from the imposition of the Required Mill Levy in accordance with the provisions of this Resolution, excluding related

Specific Ownership Tax Revenues and net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the applicable county.

“*Record Date*” means the 15<sup>th</sup> day next preceding each Interest Payment Date.

“*Registrar*” means initially the District, or a person or entity appointed pursuant to the Section hereof captioned “Successor Paying Agent and/or Registrar,” which shall perform the functions of registrar and transfer agent with respect to the Series 2020 Bonds.

“*Required Mill Levy*” means an ad valorem property tax mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property of the District each year at a rate which, if imposed by the District for collection of taxes in the succeeding calendar year, would generate Property Tax Revenues that will be sufficient to pay the principal of and interest on the Series 2020 Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Series 2020 Bond Fund), but not in excess of 40 mills; provided, however, that:

(a) subject to paragraph (b), if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement that occur after January 1, 2006, the maximum Required Mill Levy shall be increased or decreased to reflect such changes, which adjustments shall be determined by the Board in good faith, and as so determined shall be binding and final, so that to the extent possible the Property Tax Revenues generated by the maximum Required Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes (for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation); and

(b) notwithstanding anything in this Resolution to the contrary, in no event shall the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization applicable to the Series 2020 Bonds, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the taxes collected in any year to exceed the maximum tax increase permitted by such 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 Series 2020 Bonds.

“*Series 2020 Bond(s)*” means the Limited Tax General Obligation Bonds, Series 2020, issued by the District in the aggregate principal amount of \$12,315,000, as authorized by this Resolution.

“*Series 2020 Bond Fund*” means the fund or account of the District established pursuant to the provisions of this Resolution for the purpose of paying the Series 2020 Bonds.

“*Special Record Date*” means the record date for determining ownership of the Series 2020 Bonds for purposes of paying accrued but unpaid interest, as determined pursuant to this Resolution.



“*Specific Ownership Tax Revenues*” means the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of imposition by the District of the Required Mill Levy in accordance with the provisions hereof

“*Subordinate Obligations*” means any Additional Obligations having a lien upon the Pledged Revenue, or any part thereof, which is junior and subordinate to the lien thereon of the Series 2020 Bonds.

“*Tax Certificate*” means the Tax Compliance Certificate or similar certificate delivered by the District in connection with the issuance of the Series 2020 Bonds that describes the District’s expectations regarding the use and investment of proceeds of the Series 2020 Bonds and other moneys.

**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 Election and the Service Plan, the Series 2020 Bonds are hereby authorized to be issued by the District for the purpose of paying, or reimbursing the Developer for, Project Costs. The District hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Series 2020 Bonds.

The Board shall allocate the principal amount of the Series 2020 Bonds to the purposes authorized in the Service Plan and at the Election, subject to the provisions of the Tax Certificate and the District’s covenants set forth in the Section hereof captioned “Application and Investment of Proceeds; Tax Matters,” based upon the purposes for which the Project Costs to be financed with the proceeds of the Series 2020 Bonds are or were made.

**Section 3. Limited Tax Obligations.** The Series 2020 Bonds shall constitute limited tax obligations of the District as provided herein. The Series 2020 Bonds and the interest thereon 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 Series 2020 Bonds. The Series 2020 Bonds 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 Series 2020 Bonds shall be governed by 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. Limitation on Ownership.** The Series 2020 Bonds shall be issued only to financial institutions or institutional investors within the meaning of Section 32-1-1101(6)(a)(IV), C.R.S. In addition, ownership of the Series 2020 Bonds and any beneficial interest therein, including, without limitation, the initial Owners and any subsequent Owners thereof, shall be limited to “accredited investors” within the meaning of Section 11-59-110(1)(g), C.R.S.

**Section 5. Details of the Series 2020 Bonds.**

(a) The Series 2020 Bonds shall be issued only in fully registered form without coupons and in Authorized Denominations, provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Unless the District shall otherwise direct, the Series 2020 Bonds shall be numbered separately from 1 upward, with the number of each Series 2020 Bond preceded by “R-.”

(b) The Series 2020 Bonds shall be issued in the aggregate principal amount of \$12,315,000, shall be dated as of the Issue Date, shall bear interest at the rate of 5.5% per annum (calculated on the basis of a 360-day year of twelve 30-day months) payable on each Interest Payment Date, and shall mature on December 1, 2050, subject to redemption prior to maturity as provided in the Section hereof captioned “Redemption Prior to Maturity.” To the extent principal of any Series 2020 Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by such Series 2020 Bond; and to the extent interest on any Series 2020 Bond is not paid when due, such interest shall compound on each Interest Payment Date until paid at the rate then borne by such Series 2020 Bond. Notwithstanding the foregoing or anything else in this Resolution to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its applicable electoral authorization in repayment of the Series 2020 Bonds, including all payments of principal and interest, and all Series 2020 Bonds will be deemed to be defeased and no longer outstanding upon the payment by the District of such amount.

(c) The maximum net effective interest rate authorized for this issue is 18.00%, and the actual net effective interest rate of the Series 2020 Bonds does not exceed such maximum rate. The total repayment cost of the Series 2020 Bonds and the maximum annual repayment costs thereof do not exceed the limitations of the District’s voted authorization as set forth in the recitals hereto.

**Section 6. Reserved.**

**Section 7. Payment of the Series 2020 Bonds; Paying Agent and Registrar.** The principal of and interest on the Series 2020 Bonds shall be payable in lawful money of the United States of America. The principal of a Series 2020 Bond shall be payable to the Owner thereof upon maturity or prior redemption and upon presentation of the Series 2020 Bond at the principal office of the Paying Agent; provided, however, that partial payments of principal of a Series 2020 Bond (other than the final payment thereof, which shall be made only upon presentation and surrender of the Series 2020 Bond to the Paying Agent as provided above), may be recorded by the Owner of the Series 2020 Bond on the Table of Partial Redemptions attached to the Series 2020 Bond.

The interest on any Series 2020 Bond shall be payable to the person who is the Owner of such Series 2020 Bond as of the close of business on the Record Date, irrespective of any transfer or exchange of such Series 2020 Bond subsequent to the Record Date and prior to the ensuing Interest Payment Date. 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 Series 2020 Bond at the close of business on the Record Date for such Interest Payment Date and instead shall be payable to the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Registrar whenever

moneys become available for payment of the unpaid interest, and notice of such Special Record Date shall be given by first-class mail not less than ten days prior to the Special Record Date to the Owners of the Series 2020 Bonds as of a date selected by the Registrar. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Interest on the Series 2020 Bonds shall be paid by check or draft of the Paying Agent mailed to the Owners on or before the Interest Payment Date at the addresses of such Owners set forth in the Bond Register.

The Paying Agent may pay principal of or interest on any Series 2020 Bond by such alternative means as may be mutually agreed to between the Owner of the Series 2020 Bond and the Paying Agent, provided that the District shall not be required to make funds available for such payment prior to the dates on which such amount would otherwise be payable under this Resolution, nor to incur any expenses in connection with such alternative means of payment.

The District shall serve initially as the Paying Agent and Registrar for the Series 2020 Bonds, but may appoint a successor Paying Agent and/or Registrar for the Series 2020 Bonds in accordance with the Section hereof captioned "Successor Paying Agent and/or Registrar."

**Section 8. Redemption Prior to Maturity.**

(a) The Series 2020 Bonds shall be subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1 in excess thereof, on December 1, 2030 and any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium.

(b) The Series 2020 Bonds shall also be subject to mandatory redemption prior to maturity, in part, by lot, on each December 15, as set forth in "Series 2020 Bond Fund; Mandatory Redemption" herein.

On or before ten (10) days prior to each sinking fund installment date, the Registrar shall select for redemption, by lot in such manner as the Registrar may determine, a principal amount of outstanding Series 2020 Bonds equal to the applicable sinking fund installment. The amount of the sinking fund installment for any particular date may be reduced by the principal amount of any Series 2020 Bonds that prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

(c) If less than all of the Series 2020 Bonds are to be redeemed on any prior redemption date, the Registrar shall select or arrange for the selection of the Series 2020 Bonds for redemption in such manner as the Registrar shall deem fair and equitable, and provided that any Series 2020 Bond or portion thereof remaining outstanding shall be in an Authorized Denomination. The Series 2020 Bonds shall be redeemed only in integral multiples of \$1. In the event a Series 2020 Bond is of a denomination larger than \$1, a portion of such Series 2020 Bond may be redeemed, but only in the principal amount of \$1 or any integral multiple thereof. Such Series 2020 Bond shall be treated for the purpose of redemption as that number of the Series 2020 Bonds which results from dividing the principal amount of such Series 2020 Bond by \$1. In the event a portion of any Series 2020

Bond is redeemed, the Registrar shall, without charge to the Owner of such Series 2020 Bond, either (i) authenticate and deliver one or more replacement Series 2020 Bonds in Authorized Denominations for the unredeemed portion thereof, or (ii) the Registrar or the Owner may reflect the amount of the Series 2020 Bonds being redeemed in the Table of Partial Redemptions attached to the Series 2020 Bond without further action.

(d) In the event any of the Series 2020 Bonds or portions thereof are called for redemption prior to maturity, notice thereof identifying the Series 2020 Bonds or portions thereof to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid), not less than 15 days prior to the date fixed for redemption, to the Owner of each Series 2020 Bond to be redeemed in whole or in part at the address shown in the Bond Register. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Series 2020 Bonds as to which no such failure or defect exists. The redemption of the Series 2020 Bonds may be contingent or subject to such conditions as may be specified in the notice. All Series 2020 Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

**Section 9. Form of the Series 2020 Bonds.** The Series 2020 Bonds shall be in substantially the form set forth as Exhibit B to this Resolution, 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 Series 2020 Bonds may bear such other endorsement or legend as may be required to conform to usage or law with respect thereto.

The Series 2020 Bonds shall contain a recital that they are 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 Series 2020 Bonds after their delivery for value.

The Series 2020 Bonds shall also contain a statement that by acceptance of a Series 2020 Bond, the Owner thereof agrees and consents to all of the matters specified in the Section hereof captioned "Acknowledgment by Owners."

The Series 2020 Bonds may contain a reproduction of the opinion of nationally recognized municipal bond counsel as to the Series 2020 Bonds and a certification of such opinion by the Secretary or an Assistant Secretary of the District.

**Section 10. Execution and Authentication of the Series 2020 Bonds.** The Series 2020 Bonds shall be signed with the facsimile or manual signature of the 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 a Series 2020 Bond cease to be such officer before delivery of the Series 2020 Bond to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

No Series 2020 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Series 2020 Bond substantially in the form set forth in Exhibit B hereto shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Series 2020 Bond shall be conclusive evidence that such Series 2020 Bond has been authenticated and delivered under this Resolution. The Registrar's certificate of authentication on any Series 2020 Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Series 2020 Bonds issued hereunder.

**Section 11. Delivery of the Series 2020 Bonds.** Upon the adoption of this Resolution and the execution and delivery of the documents and instruments provided for herein, the Series 2020 Bonds shall be executed and authenticated in accordance with this Resolution and thereupon issued in the name of and delivered to the Developer or to an entity designated by the Developer, subject in either case to the limitations set forth in the Section hereof captioned "Limitation on Ownership," as reimbursement to the Developer for capital costs of Public Improvements advanced by the Developer pursuant to the Developer Agreements and which have been accepted as eligible for reimbursement to the Developer. Accordingly, no additional cash consideration is to be received by the District for the Series 2020 Bonds.

**Section 12. Acknowledgment by Owners.** By acceptance of a Series 2020 Bond, each Owner shall be deemed to have acknowledged, consented and agreed to all of the limitations in respect of the payment of the principal of and interest on the Series 2020 Bonds contained in the Series 2020 Bonds, in this Resolution and in the Service Plan. By acceptance of a Series 2020 Bond, each Owner shall also be deemed to have acknowledged and agreed that (i) the Series 2020 Bonds are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) as of the Issue Date, the Series 2020 Bonds will not carry a rating from any rating service, (iii) the Series 2020 Bonds and any interest therein may and shall be sold, transferred or otherwise disposed of only in accordance with the Section hereof captioned "Registration, Exchanges and Transfers; Restrictions on Transfer" and (iv) the District and others will rely upon the truth and accuracy of the foregoing acknowledgments, consents and agreements.

**Section 13. Registration, Exchanges and Transfers; Restrictions on Transfer.** The Registrar shall keep and maintain the Bond Register.

Series 2020 Bonds may be exchanged by the Owners at the principal office of the Registrar for a like aggregate principal amount of Series 2020 Bonds of other Authorized Denominations.

Series 2020 Bonds also may be transferred by the Owners, but only in Authorized Denominations and subject to the limitations set forth in the Section hereof captioned "Limitation on Ownership." Series 2020 Bonds may be transferred upon the Bond Register upon delivery of the Series 2020 Bonds to the Registrar, accompanied by (i) a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Owner of the Series 2020 Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Series 2020 Bonds, along with the social security number or federal employer identification number of such transferee, and (ii) evidence satisfactory to the Registrar that the transferee satisfies the qualifications set forth in

the Section hereof captioned "Limitation on Ownership." No transfer of a Series 2020 Bond shall be effective until entered in the Bond Register.

In all cases of the transfer of a Series 2020 Bond, the Registrar shall enter the transfer of ownership in the Bond Register 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 Registrar shall charge the Owner of the Series 2020 Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect thereto.

The District and Registrar shall not be required to issue or transfer any Series 2020 Bond: (a) during a period beginning at the close of business on the Record Date and ending at the close of business on the related Interest Payment Date; or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of the Series 2020 Bonds and ending at the opening of business on the first business day following the day on which the related notice of redemption is mailed. The Registrar shall not be required to transfer any Series 2020 Bonds selected or called for redemption, in whole or in part.

Every new Series 2020 Bond delivered upon any transfer shall be a valid obligation of the District, evidencing the same obligation as the Series 2020 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 Series 2020 Bond surrendered.

The District, the Paying Agent and the Registrar may deem and treat the Owner of any Series 2020 Bond as the absolute owner thereof for all purposes (whether or not such Series 2020 Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent or the Registrar.

**Section 14. Cancellation of the Series 2020 Bonds.** Whenever a Series 2020 Bond shall be delivered to the Registrar for cancellation pursuant to this Resolution and upon payment of the principal of and interest represented thereby, or whenever a Series 2020 Bond shall be delivered to the Registrar for transfer or exchange pursuant to the provisions hereof, such Series 2020 Bond shall be cancelled in accordance with the customary practices of the Registrar and applicable retention laws.

**Section 15. Replacement Series 2020 Bonds.** In the event a Series 2020 Bond is lost, stolen, destroyed or mutilated, such Series 2020 Bond may be replaced by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for a replacement Series 2020 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 Registrar.

**Section 16. Application and Investment of Proceeds; Tax Matters.**

(a) The Series 2020 Bonds shall be issued for the purpose, and the proceeds derived from the sale of the Series 2020 Bonds shall be applied, as provided in this Resolution. No Owner shall be responsible for the application by the District of the proceeds of the Series 2020 Bonds.

(b) All or any portion of the proceeds of the Series 2020 Bonds 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 Series 2020 Bonds, which covenants shall remain in full force and effect until the date on which all obligations of the District in fulfilling such covenants under the Federal Tax Code and Colorado law have been met, notwithstanding the payment in full or defeasance of the Series 2020 Bonds:

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

(ii) The District shall not use or permit the use of any proceeds of the Series 2020 Bonds or any funds of the District, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Series 2020 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Federal Tax Code or “federally guaranteed” within the meaning of Section 149(b) of the Federal Tax Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Federal Tax Code, and the District shall observe and not violate the requirements of Section 148 of the Federal Tax Code and any such applicable regulations. The District shall comply with all requirements of Sections 148 and 149(d) of the Federal Tax Code to the extent applicable to the Series 2020 Bonds. In the event that at any time the District is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by or on behalf of the District under this Resolution, the District shall so restrict or limit the yield on such investment.

(iii) The District shall comply with the provisions and procedures of the Tax Certificate.

(iv) The District shall file, or cause to be filed, an Internal Revenue Service Form 8038-G with respect to the issuance of the Series 2020 Bonds.

**Section 17. Application of the Pledged Revenue.** 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 Series 2020 Bond Fund the amounts required by the Section hereof captioned “Series 2020 Bond Fund,” and to the credit of any other similar fund or account established for the current payment of the principal of, premium, if any, and interest on any Parity Obligations the amounts required by the documents authorizing the issuance of such Parity Obligations;

- SECOND: To the credit of any sinking fund, reserve fund or similar fund or account established in connection with any Parity Obligations the amounts required by the documents authorizing the issuance of such Parity Obligations;
- THIRD: To the credit of any other fund or account established to secure payment of the principal of, premium, if any, and interest on any Parity Obligations the amounts required by the documents authorizing the issuance of such Parity Obligations;
- FOURTH: To the credit of any other 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 documents authorizing the issuance of such Subordinate Obligations; and
- FIFTH: To the District for credit to any other fund or account as may be designated by the District to be used for any lawful purpose.

In the event that any Pledged Revenue is available to be disbursed in accordance with clause FIFTH above, the District will, in making its determination as to the application of such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue from a debt service mill levy, and any then-existing pledge or encumbrance on such revenues. For purposes of determining the nature of the Pledged Revenue available for disbursement pursuant to clause FIFTH above, the Pledged Revenue applied in clauses FIRST through FOURTH above shall be deemed to be funded first from Property Tax Revenues and second from Specific Ownership Tax Revenues.

The District covenants that all property tax revenue collected by the District from a debt service mill levy, or so much thereof as is needed, shall first be designated as Property Tax Revenues in any Bond Year to pay annual debt service on the Series 2020 Bonds and any Parity Obligations and to fund such funds and accounts as are required in accordance with the terms of this Resolution and the documents authorizing such Parity Obligations (including the funding or replenishment of any fund or account securing Parity Obligations to the required level), and only after the funding of such payments and accumulations required in such Bond Year shall property tax revenue be applied to pay Subordinate Obligations. The debt service property tax levy imposed for the payment of Subordinate Obligations shall be deemed reduced to the number of mills (if any) available for payment of such Subordinate Obligations in any Bond Year after first providing for the full payment and accumulation of all amounts due on the Series 2020 Bonds and any Parity Obligations in such Bond Year.

**Section 18. Series 2020 Bond Fund; Mandatory Redemption.** There is hereby created and established the Series 2020 Bond Fund, which may be accounted for by the District either as a separate fund of the District or 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.

Moneys in the Series 2020 Bond Fund shall be used by the District solely to pay the principal of and interest on the Series 2020 Bonds. The Series 2020 Bond Fund is hereby pledged



to the payment of the Series 2020 Bonds, and shall not be used or pledged to the payment of any other obligations, including, without limitation, any Parity Obligations or Subordinate Obligations.

There shall be credited to the Series 2020 Bond Fund an amount of Pledged Revenue each Bond Year that, when combined with other legally available moneys in the Series 2020 Bond Fund, shall be sufficient to pay the principal of and interest on the Series 2020 Bonds which have or will become due in the Bond Year in which the credit is made.

Moneys in the Series 2020 Bond Fund shall be used by the District solely to pay the principal of and interest on the Series 2020 Bonds in the following order: (i) FIRST, to the payment of interest due in connection with Series 2020 Bonds (including, without limitation, current interest, accrued but unpaid interest and interest due as a result of compounding, if any); and (ii) SECOND, to the payment of the principal of the Series 2020 Bonds, whether due at maturity or upon prior redemption, including mandatory redemption, as set forth under “—Mandatory Redemption” below.

In the event that available moneys in the Series 2020 Bond Fund are insufficient for the payment of the principal of and interest on the Series 2020 Bonds on any due date, including previously accrued but unpaid amounts and interest due as a result of compounding, if any, the District shall apply such amounts as are available on such due date as follows: (i) the District shall first pay such amounts as are available, proportionally in accordance with the amount of interest due on each Series 2020 Bond and in the following order: (a) interest due as a result of compounding; (b) accrued but unpaid interest; and (c) current interest; and (ii) the District shall then apply any remaining amounts to the payment of the principal amount of the Series 2020 Bonds, in direct order of due date, on as many Series 2020 Bonds as can be paid with such remaining amounts, such payments to be in integral multiples of \$1,000 of principal amount. The Series 2020 Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Series 2020 Bonds the principal of which is due and owing on the due date.

*Mandatory Redemption* - On each November 15, the Paying Agent shall determine the amount credited to the Series 2020 Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the Series 2020 Bonds due on the next succeeding Interest Payment Date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Paying Agent shall promptly give such notice of redemption and take such other actions as necessary to redeem as many Series 2020 Bonds as can be redeemed with such excess moneys. Such redemptions shall be made by the Paying Agent on the immediately succeeding December 15, and amounts insufficient to redeem at least one Series 2020 Bond in the denomination of \$1,000 will be retained in the Series 2020 Bond Fund. The mandatory redemption provided in this Section shall be made by the Paying Agent without further instruction from the District and notwithstanding any instructions from the District to the contrary. Notwithstanding anything herein to the contrary, it is understood and agreed that borrowed moneys shall not be used for the purpose of redeeming principal of the Series 2020 Bonds pursuant to this paragraph

Moneys credited to the Series 2020 Bond Fund may be invested or deposited only in Permitted Investments. The investment of moneys credited to the Series 2020 Bond Fund shall be subject to the covenants and provisions of the Section hereof captioned “Application and Investment of Proceeds; Tax Matters.” All interest income from the investment or reinvestment of

moneys credited to the Series 2020 Bond Fund shall remain in and become part of the Series 2020 Bond Fund.

**Section 19. Covenant to Certify the Required Mill Levy.** For the purpose of paying the principal of and interest on the Series 2020 Bonds when due, whether at maturity or upon earlier redemption and including any accrued and unpaid amounts and interest due as a result of compounding, if any, the District covenants to cause to be levied annually, on all taxable property of the District, in addition to all other taxes, direct annual taxes, to the extent permitted by applicable law, in the amount of the Required Mill Levy. Nothing herein shall be construed to require the District to levy an ad valorem property tax for such purposes in excess of the Required Mill Levy, nor shall the District be permitted to levy the Required Mill Levy more than 40 years after the initial imposition of a debt service mill levy by the District.

The foregoing provisions of this Resolution are hereby declared to be the certificate of the Board to the Board of County Commissioners of each county in which the District may levy taxes for payment of the Series 2020 Bonds showing the aggregate amount of taxes to be levied from time to time, as required by law, for the aforesaid purposes.

The amounts necessary to pay all costs and expenses incidental to the issuance of the Series 2020 Bonds and to pay the principal of and interest on the Series 2020 Bonds 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 Series 2020 Bonds have 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 of this Resolution with respect 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 aforesaid purposes.

**Section 20. Additional Obligations.**

(a) So long as any Series 2020 Bonds are outstanding, the District shall not issue or incur any Additional Obligations that have a lien on the Pledged Revenue, or any part thereof, that is superior to the lien thereon of the Series 2020 Bonds.

(b) Any Additional Obligations secured by a lien on ad valorem property taxes of the District shall be issued or incurred as either Parity Obligations or Subordinate Obligations.

(c) The District may issue or incur Parity Obligations if:

(i) the Owners of not less than a majority in aggregate principal amount of the Series 2020 Bonds then Outstanding consent thereto in writing; or

(ii) each of the following conditions is met as of the date of issuance or incurrence of such Parity Obligations:

(A) no Event of Default under this Resolution shall have occurred and be continuing and no amounts of principal or interest on the Series 2020 Bonds or any other Parity Obligations are due but unpaid,

unless: (I) such Event of Default or failure to pay principal or interest on the Series 2020 Bonds will be cured upon issuance of the Parity Obligations, or (II) the conditions of paragraph (E)(II) below are satisfied;

(B) the amount on deposit in a debt service reserve fund or account established in connection with any then-outstanding Parity Obligations is not less than the amount required by the documents pursuant to which such outstanding Parity Obligations were issued or incurred, provided that if any deficiency in such funding will be fully cured upon issuance or incurrence of the Parity Obligations, this condition will be deemed to have been met;

(C) the Parity Obligations to be issued or incurred shall be secured by a debt service reserve fund or account which shall be fully funded on the date of issuance of the Parity Obligations, and which shall be required to be maintained at all times, in an amount that is not less than the least of the following (calculated as of the date of issuance of such Parity Obligations): (I) 10% of the principal amount of such Parity Obligations; (II) the maximum annual debt service in any calendar year on such Parity Obligations; or (III) 125% of the average annual debt service on such Parity Obligations; provided, however, that such reserve requirement may be reduced if and only to the extent that, in the opinion of Bond Counsel, the funding or maintenance of such debt service reserve fund or account at the level otherwise required by this paragraph will adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds or any Parity Obligations;

(D) In the event that the Parity Obligations are secured by a lien on ad valorem property taxes of the District, then (I) the maximum ad valorem mill levy (if any) pledged to the payment of the Parity Obligations, together with the Required Mill Levy required to be imposed under this Resolution, shall be not higher than the maximum mill levy set forth in the definition of Required Mill Levy herein, and (II) the documents pursuant to which the Parity Obligations are issued or incurred shall provide that any ad valorem property taxes imposed for the payment of such Parity Obligations shall be applied in the same manner and priority as provided in the Section hereof captioned "Application of the Pledged Revenue" with respect to the Pledged Revenue; and

(E) One of the following two conditions shall be satisfied:

(I) upon issuance of the Parity Obligations, the ratio derived by dividing the principal amount (or if issued or incurred as capital appreciation obligations, the accreted value) of the Series 2020 Bonds and Parity Obligations to be outstanding by the most recent final assessed valuation of all taxable property of the District as certified by the applicable county assessor(s) on or about December 10 of each year, or on such other date as may be

established by law for the annual final certification of assessed valuation, shall be 50% or less; or

(II) the Parity Obligations are issued solely for the purpose of refunding all or any portion of the Series 2020 Bonds, any other Parity Obligations and/or Subordinate Obligations (provided that proceeds of the refunding Parity Obligations may also be applied to pay all expenses in connection with such refunding, to fund debt service reserves and capitalized interest and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance or other financial products pertaining to such refunding), and the total of the District's scheduled debt service on such refunding Parity Obligations, the Series 2020 Bonds and any other Parity Obligations (to the extent to remain outstanding upon such refunding) does not exceed in any year the total debt service on the Series 2020 Bonds and Parity Obligations prior to the issuance of such refunding Parity Obligations (excluding from such calculation any amount on deposit in a fund or account anticipated to be available for payment of debt service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, the issuance of refunding Parity Obligations that have any scheduled payment dates in any year that are after the maturity of the Series 2020 Bonds or Parity Obligations being refunded, or the issuance of refunding Parity Obligations that refund only Subordinate Obligations shall be deemed to increase the District's Parity Obligations debt service in any year and shall not be permitted by this paragraph.

(d) The District may issue or incur Subordinate Obligations if:

(i) the Owners of not less than a majority in aggregate principal amount of the Series 2020 Bonds then outstanding consent thereto in writing; or

(ii) each of the following conditions is met as of the date of issuance or incurrence of such Subordinate Obligations:

(A) the maximum mill levy which the District promises to impose for payment of the Subordinate Obligations is 40 mills (adjusted as described in clause (a) of the definition of the Required Mill Levy herein) less the Required Mill Levy required to be imposed hereunder and the mill levy required to be imposed for the payment of any Parity Obligations;

(B) the failure to make a payment when due on the Subordinate Obligations shall not constitute an event of default thereunder; and

(C) the Subordinate Obligations shall be payable as to both principal and interest only on an annual basis and subsequent to the last

scheduled payment date in such calendar year for amounts due in connection with Series 2020 Bonds and any outstanding Parity Obligations.

(e) A written certificate by the President of the District that the conditions set forth in this Resolution for the issuance or incurrence of Additional Obligations have been satisfied shall conclusively determine the right of the District to authorize, issue, sell and deliver such Additional Obligations in accordance herewith.

(f) Nothing in this Resolution shall affect or restrict the right of the District to issue or incur obligations that do not constitute Additional Obligations.

(g) Notwithstanding any other provision contained in this Resolution, under no circumstances shall the District issue or incur Additional Obligations in excess of that authorized by the eligible electors of the District, if applicable, and the Service Plan, as the same may be amended from time to time.

**Section 21. Additional Covenants.** For so long as any of the Series 2020 Bonds are outstanding, the District hereby covenants as follows:

(a) The District will maintain its existence and will not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Series 2020 Bonds, 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, but only if and to the extent required by State law, the District will cause an audit to be performed of the records relating to District revenues and expenditures. The District shall use its best commercially reasonable efforts to have such audit report completed no later than August 31 of each calendar year. In addition, at least once a year in the time and manner provided by law, the District shall cause a budget to be prepared and adopted. Copies of the budget and the audit shall 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 other District funds, 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 will use its best reasonable efforts to oppose and prevent the formation of an urban renewal authority or other tax increment financing entity or mechanism with respect to all or any of the property within the District or property excluded from the District subsequent to the issuance of the Series 2020 Bonds.

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

(h) In the event any ad valorem taxes are not paid when due, the District will diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(i) In the event that any amount of the Pledged Revenue is released to the District as provided in clause FIFTH of the Section hereof captioned “Application of the Pledged Revenue,” the District will, in making its determination as to which obligations will be paid with such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue.

**Section 22. Defeasance.** When all principal and interest in connection with any Series 2020 Bond has been duly paid, the pledge and lien and all obligations of the District under this Resolution with respect to such Series 2020 Bond shall thereby be discharged and such Series 2020 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 payments of principal and interest in connection with such Series 2020 Bond as the same become due to the maturity date or upon a designated prior redemption date for such Series 2020 Bond. 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 the availability of the proceeds thereof as 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 constitute an Event of Default under this Resolution, and there shall be no default or Event of Default under this Resolution 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 or observance of any other of its covenants, agreements or conditions on the part of the District 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 Owners of not less than 25% in aggregate principal amount of the Series 2020 Bonds then outstanding; or

(c) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by Series 2020 Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Series 2020 Bonds when due shall not, of itself, constitute an Event of Default.

Upon the occurrence and continuance of an Event of Default, any Owner may proceed to protect and enforce the rights of the Owners under this Resolution by mandamus or such other suit, action or special proceedings, in equity or at law, in any court of competent jurisdiction; provided, however, that acceleration of the Series 2020 Bonds shall not be an available remedy for an Event of Default. All such proceedings shall be instituted, had and maintained for the equal benefit of the Owners of all Series 2020 Bonds then outstanding.

**Section 24. Amendments and Supplements.**

(a) The District may, without the consent of or notice to the Owners, adopt amendments or supplements to this Resolution for any one or more of the following purposes:

(i) 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 Owners;

(ii) to subject to this Resolution or pledge to the payment of the Series 2020 Bonds additional revenues, properties or collateral; and

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

(b) In addition to the amendments or supplements to this Resolution specified in paragraph (a) of this Section, the Owners of a majority in aggregate principal amount of the Series 2020 Bonds then outstanding 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 Owners of all Series 2020 Bonds affected thereby, nothing contained in this Resolution permits, or shall be construed as permitting:

(i) a change in the terms of the maturity of the Series 2020 Bonds, in the principal amount of the Series 2020 Bonds or the rate of interest thereon or in the terms of prior redemption of the Series 2020 Bonds;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of and interest on the Series 2020 Bonds when due;

(iii) the creation of a privilege or priority of any Series 2020 Bond or any principal or interest payment in connection therewith over any other Series 2020 Bond or principal or interest payment; or

(iv) a reduction in the percentage in principal amount of the Series 2020 Bonds the consent of the Owners of which is required for any such amendatory or supplemental resolution.

If the District desires to adopt an amendment or supplement to this Resolution that requires consent of the Owners, the District shall cause notice of the proposed adoption of such amendment or supplement to be given by certified or registered first-class mail to the Owners at the addresses shown in the Bond Register at least 15 days prior to the proposed date of adoption thereof. 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 Owners. If the requisite consent of the Owners is obtained within the prescribed period, no Owner shall have any right to object to any of the terms and provisions contained in such proposed amendment or supplement, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof; provided, however, that the terms of the actual amendment or supplement are the same as those made available to the Owners for inspection prior to their consent for adoption.

(c) 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 Owners under this Resolution shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

**Section 25. Successor Paying Agent and/or Registrar.** The District shall serve initially as the Paying Agent and Registrar for the Series 2020 Bonds but may at any time appoint another person or entity to serve as Paying Agent and/or Registrar. Any Paying Agent or Registrar (other than the District) may resign at any time, or may be removed by the District at any time with or without cause. In the event of the removal or resignation of the Registrar or Paying Agent, the District shall appoint a successor (which may be the District) as soon thereafter as may be practicable, and in such event shall give written notice thereof to each Owner by mailing to the addresses shown on the registration books for the Series 2020 Bonds. If a successor is not appointed by the District within 90 days of such resignation or removal, any Owner may petition a court of competent jurisdiction to appoint a successor Paying Agent or Registrar, as the case may be.

Any Paying Agent other than the District shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Colorado, be duly authorized to exercise trust powers, be subject to examination by a federal or state authority and maintain a reported capital and surplus of not less than \$10,000,000.



**Section 26. 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) it is in the best interests of the District, and the residents, property owners and taxpayers thereof, that the Series 2020 Bonds be authorized, sold, issued and delivered at the time in the manner and for the purposes provided in this Resolution;

(b) the Public Improvements financed with the proceeds of the Series 2020 Bonds will confer a general benefit to all property within the District;

(c) the total aggregate amount of bonded indebtedness of the District does not now, nor shall it upon the issuance of the Series 2020 Bonds, exceed any applicable limit prescribed by the constitution or laws of the State or the Service Plan; and

(d) the issuance of the Series 2020 Bonds 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 Series 2020 Bonds.

**Section 27. Costs and Expenses.** All costs and expenses incurred in connection with the issuance of the Series 2020 Bonds shall be paid from legally available moneys of the District, and such moneys are hereby appropriated for that purpose.

**Section 28. Authorization to Execute Collateral Documents and Take Additional Actions.** The President and the Secretary or an Assistant Secretary of the District shall, and they are hereby authorized and directed to, take all additional actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the engagement of Kline Alvarado Veio, P.C., as bond counsel for the Series 2020 Bonds and the execution of the Tax Certificate and an Internal Revenue Service Form 8038-G with respect to the Series 2020 Bonds and any other agreements, certificates, affidavits and other documents and instruments as may be reasonably required by Bond Counsel. The execution by the 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. Post-Issuance Tax Compliance Procedures.** The Board hereby approves and adopts the Post-Issuance Tax Compliance Procedures and designates the person so identified therein as the “Responsible Person.”

**Section 30. 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 Series 2020 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 Series 2020 Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling Series 2020 Bonds specifically waives any such recourse.

**Section 31. 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 Series 2020 Bonds shall be commenced more than 30 days after the authorization of the Series 2020 Bonds.

**Section 32. Actions to be Taken Occurring on Non-Business Days.** If the date for making any payment or the last day for performing any act or exercising any right under this Resolution is a legal holiday or a day on which the principal office of the Paying Agent or Registrar, as applicable, is authorized or required by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day which is not such a day with the same force and effect as if done on the nominal date provided in this Resolution.

**Section 33. 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 Series 2020 Bonds, are hereby ratified, approved and confirmed.

**Section 34. Headings.** The headings to the various sections and subsections to this Resolution have been inserted solely for the convenience of the reader, are not a part of this Resolution and shall not be used in any manner to interpret this Resolution.

**Section 35. Resolution Irrepealable.** After any of the Series 2020 Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District and shall be and remain irrepealable until the Series 2020 Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as herein provided.

**Section 36. 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 37. 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.

**Section 38. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

[Execution page follows]

**ADOPTED AND APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2020.

(S E A L)

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**  
**to**  
**RESOLUTION**

**DISTRICT ELECTION DEBT AUTHORIZATION  
FOR CAPITAL IMPROVEMENTS**

**Operations and Maintenance Mill Levy-Ad Valorem Taxes:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$1,000,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, OPERATIONS, MAINTENANCE, AND OTHER EXPENSES: SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE IN 2016 AND IN EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Capital Costs -Ad Valorem Taxes:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$1,000,000 ANNUALLY (FIRST FULL FISCAL YEAR DOLLAR INCREASE) AND BY THE SAME AMOUNT RAISED ANNUALLY THEREAFTER PLUS INFLATION AND LOCAL GROWTH; SUCH TAX INCREASE TO BE IN ADDITION TO ANY OTHER TAXES OF THE DISTRICT AND TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF FUNDING EXPENSES RELATED TO ANY LAWFUL PURPOSE OF THE DISTRICT AND TO CARRY OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, INCLUDING THE FUNDING OF CAPITAL COSTS AND OTHER OBLIGATIONS, AUTHORIZED BY THE COUNTY, THE SERVICE PLAN, AND AS OTHERWISE AUTHORIZED UNDER APPLICABLE LAW; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT

INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE IN 2016 AND IN EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Water:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING BUT NOT LIMITED TO CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND PUMPING FACILITIES, WELLS, WATER TREATMENT, HYDRANTS, WATER RIGHTS, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE

USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Sanitation:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [J/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [J/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PA YING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING BUT NOT LIMITED TO COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, LIFT STATIONS, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAY ABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO

PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Streets:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PA YING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING BUT NOT LIMITED TO CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, TRAILS, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN PASSES, TUNNELS, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, PARKING FACILITIES, UNDERGROUNDING OF PUBLIC UTILITIES, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES;



SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Traffic and Safety:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING BUT NOT LIMITED TO CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PA YING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED TO TRAFFIC SIGNALS, ACCESS GATES AND ENTRY MONUMENTATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID



FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Parks and Recreation:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES, IMPROVEMENTS, AND PROGRAMS, INCLUDING BUT NOT LIMITED TO PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL FACILITIES, COMMUNITY RECREATION CENTERS, MASONRY OR OTHER TYPES OF FENCING, MONUMENTATION, SIGNAGE, PUBLIC FOUNTAINS AND SCULPTURE, ART, GARDENS, PICNIC AREAS, PARK SHELTERS, A SWIMMING POOL FACILITY, CLUBHOUSE AND MEETING FACILITIES, LAKES AND PONDS OR OTHER WATER FEATURES, OUTDOOR LIGHTING OF ALL TYPES, IRRIGATION, DRAINAGE IMPROVEMENTS, WATER BODIES, IRRIGATION FACILITIES, AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND

PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Transportation:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING BUT NOT LIMITED TO PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES,

SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Television Relay and Translation:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [112/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [112/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE

INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Mosquito Control:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOES AND OTHER PESTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN

EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Security:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OR SPECIAL OBLIGATION BONDS, REVENUE BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN THE BOUNDARIES OF THE DISTRICT, SECURITY SERVICES AND IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, PERIMETER AND INTERIOR SECURITY PATROLS, CONSTRUCTION OF SAFETY BARRIERS OR SIMILAR PROTECTIVE MEASURES, ACQUISITION OF SECURITY EQUIPMENT, PROTECTION OF DISTRICT PROPERTY FROM UNLAWFUL DAMAGE OR DESTRUCTION, AND OTHER SECURITY IMPROVEMENTS WHICH MAY BE NECESSARY FOR THE ORDERLY CONDUCT OF



DISTRICT AFFAIRS AND FOR PROTECTION OF THE HEALTH, SAFETY, AND WELFARE OF THE DISTRICT RESIDENTS, TAXPAYERS, OFFICERS, AND EMPLOYEES, INCLUSIVE OF THE GENERAL PUBLIC, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, INCLUDING CONSTRUCTION MANAGEMENT SERVICES RELATED THERETO, OR FOR THE PURPOSE OF REFUNDING OBLIGATIONS ISSUED FOR SUCH PURPOSES, WHETHER OR NOT SUCH REFUNDING OBLIGATIONS ARE ISSUED AT A LOWER RATE, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT; SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE SOLD AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM, AND TO BE PAYABLE FROM ANY LEGALLY AVAILABLE MONIES OF THE DISTRICT, INCLUDING GRANTS AND THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIFIC OWNERSHIP TAXES OF THE DISTRICT OR PURSUANT TO PLEDGE AGREEMENTS OR INTERGOVERNMENTAL AGREEMENTS, PUBLIC IMPROVEMENT FEES, OR OTHER FEES RECEIVED OR IMPOSED ON PROPERTY WITHIN THE DISTRICT AND ANY REVENUE DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT FACILITIES OR PROPERTIES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE, EXCEPT AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, PROVIDED THAT SUCH MILL LEVY MAY BE ADJUSTED TO ACCOUNT FOR CHANGES IN LAW OR THE METHOD BY WHICH ASSESSED VALUATIONS ARE CALCULATED, INCLUDING A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND, IN CONNECTION THEREWITH, AS A VOTER-APPROVED REVENUE CHANGE, SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY AND ALL OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Fire Protection and Emergency Medical:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FIRE PROTECTION AND AMBULANCE AND EMERGENCY MEDICAL AND RESCUE SERVICES FACILITIES AND IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Operations and Maintenance Debt:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] DEBT BE

INCREASED \$28,540,103, WITH A REPAYMENT COST OF \$114,160,412; AND SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] TAXES BE INCREASED \$114,160,412 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT: SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, SPECIAL ASSESSMENT BONDS, OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED TO PAY THE COSTS OF OPERATING, MAINTAINING, OR OTHERWISE PROVIDING SYSTEMS, OPERATIONS, MANAGEMENT SERVICES CONTRACTS, AND ADMINISTRATION TO CARRY OUT THE OBJECTS AND PURPOSES FOR WHICH THE DISTRICT WAS ORGANIZED, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT PROPERTIES, FACILITIES, EQUIPMENT, PERSONNEL, CONTRACTORS, CONSULTANTS, AND COSTS AND ALL LAND, EASEMENTS, AND APPURTENANCES NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 12% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW, OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING SPECIAL ASSESSMENTS OR THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF SPECIAL ASSESSMENTS OR AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., 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, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

**Multi-Fiscal Year IGA:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE



STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATIERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

**Master IGA:**

SHALL THE SANDS METROPOLITAN DISTRICT NO. [1/2/3/4] BE AUTHORIZED TO ENTER INTO ONE OR MORE CONTRACTS WITH PRIVATE PARTIES, OR ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

\* \* \*

**EXHIBIT B**  
to  
**RESOLUTION**

**FORM OF THE SERIES 2020 BONDS**

*This 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 issued in reliance on exemptions from the registration requirements of the Securities Act and such laws.*

*This Bond is subject to restrictions on transfer as provided herein and in the Authorizing Resolution.*

No. R-\_\_

\$ \_\_\_\_\_

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

**THE SANDS METROPOLITAN DISTRICT NO. 2**

**LIMITED TAX GENERAL OBLIGATION BOND**  
**SERIES 2020**

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
[September __, 2020]	December 1, 2050	5.5%

**Registered Owner:** \_\_\_\_\_

**Principal Amount:** \_\_\_\_\_ and No/100 Dollars

The Sands 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 Authorizing Resolution described below), to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above or on the date of prior redemption, the principal amount specified above, but only to the extent that moneys are actually advanced on such principal amount specified above to the registered owner named 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 Issue Date specified above, at the interest rate per annum specified above, payable semi-annually on December 1, 2020, and on each June 1 and December 1 thereafter until the principal amount of this Bond is paid at maturity or upon prior redemption.

To the extent not paid when due, interest on this Bond shall compound semiannually on each interest payment date, at the interest rate specified above; provided, however, that notwithstanding anything herein or in the Authorizing Resolution 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 this Bond, including all payments of principal and interest, and this Bond will be deemed to be defeased and no longer outstanding upon the payment by the District of such amount.

This Bond is one of a series of bonds (the "Series 2020 Bonds") aggregating a par value of \$12,315,000, or "principal amount," all of like date, tenor and effect, issued by the Board of Directors of the District (the "Board") for the purpose of paying or reimbursing the costs of providing public capital improvements for the District, by virtue of and in full conformity with the Constitution and laws of the State of Colorado, including, without limitation, Article 1 of Title 32, C.R.S., Part 2 of Article 57 of Title 11, C.R.S., and all other laws of the State of Colorado thereunto enabling; and pursuant to the resolution duly adopted by the Board authorizing the issuance of the Series 2020 Bonds (the "Authorizing Resolution"). 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 Series 2020 Bonds after their delivery for value.

The principal amount of this Bond is payable in lawful money of the United States of America to the Registered Owner hereof upon the maturity or prior redemption of this Bond and presentation of this Bond at the principal office of the paying agent for the Series 2020 Bonds (the "Paying Agent"); provided, however, that partial payments of the principal amount of this Bond (other than the final payment hereof) may be noted on the Table of Partial Redemptions attached hereto in lieu of surrendering this Bond in connection with such payment.

Payment of each installment of interest on this Bond shall be made to the Registered Owner hereof whose name shall appear on the registration books for the Series 2020 Bonds maintained by the registrar and transfer agent for the Series 2020 Bonds (the "Registrar") as of the close of business on the 15<sup>th</sup> day next preceding each interest payment date for the Series 2020 Bonds (the "Record Date"), and shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to the Registered Owner of this Bond at such Registered Owner's address as it appears on such registration books. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Registered Owner of this Bond as of the close of business on the Record Date and shall be payable to the person who is the Registered Owner of this Bond as of the close of business on a Special Record Date (the "Special Record Date") established for the payment of any unpaid interest. Notice of the Special Record Date and the date fixed for the payment of unpaid interest shall be given by first-class mail to the Registered Owner of this Bond as shown on the registration books on a date selected by the Registrar.

The Paying Agent may make payments of principal and interest in connection with this Bond by such alternative means as may be mutually agreed to between the Registered Owner of this Bond and the Paying Agent as provided in the Authorizing Resolution.

The Series 2020 Bonds of this issue, including this Bond, together with the interest thereon, are payable solely from and to the extent of the Pledged Revenue as defined in the Authorizing Resolution, which Pledged Revenue is pledged to the payment of the Series 2020 Bonds. The Series 2020 Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. In accordance with and subject to the conditions expressed in the Authorizing Resolution, obligations in addition to the Series 2020 Bonds of this issue may be issued and made payable from the Pledged Revenue and having a lien thereon on parity with or subordinate and junior to, but not superior to, the lien of the Series 2020 Bonds of this issue.

It is hereby recited, certified and warranted that all of the requirements of law have been fully complied with by the proper officers of the District in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado; and that at the election lawfully held within the District on November 8, 2016, 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.

The Series 2020 Bonds of this issue are subject to redemption prior to maturity on the dates, in the amounts, at the prices and in the manner provided in the Authorizing Resolution. Notice of prior redemption of this Bond is to be given by mailing a copy of the redemption notice, not less than 15 days prior to the date fixed for redemption, to the Registered Owner of this Bond at the address shown on the registration books maintained by the Registrar, in the manner set forth in the Authorizing Resolution. The redemption of the Series 2020 Bonds may be contingent or subject to such conditions as may be specified in the notice. All Series 2020 Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

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

Series 2020 Bonds may be issued only in integral multiples of \$100,000 or any integral multiple of \$1 in excess thereof (“Authorized Denominations”). This Bond may be exchanged at the principal office of the Registrar for a like aggregate principal amount of the Series 2020 Bonds of other Authorized Denominations. This Bond also may be transferred by the Registered Owner hereof, in person or by such Registered Owner’s attorney duly authorized in writing, at the principal office of the Registrar, but only in Authorized Denominations and to “accredited investors” within the meaning of Article 59 of Title 11, C.R.S., and otherwise in the manner, subject to the limitations and upon payment of the charges provided in this Bond and in the Authorizing Resolution and upon surrender and cancellation of this Bond.

The District and Registrar are not required to issue or transfer any Series 2020 Bond: (a) during a period beginning at the close of business of the Registrar on the Record Date and ending at the close of business on the related interest payment date; or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of the Series 2020 Bonds and ending at the opening of business on the first business day following the day on which the related notice of redemption is mailed. The Registrar is also not required to transfer any Series 2020 Bonds selected or called for redemption, in whole or in part.

If the date for making any payment or the last day for performing any action or exercising any right under the Authorizing Resolution or this Bond is a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day which is not such a day with the same force and effect as if done on the nominal date provided in the Authorizing Resolution.

***By acceptance of this Bond, the Registered Owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this bond contained herein, in the resolution of the District authorizing this Bond and in the Service Plan for the District. By acceptance of this Bond, the Registered Owner of this Bond shall also be deemed to have acknowledged and agreed that (i) Series 2020 Bonds are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state; (ii) as of the Issue Date Series 2020 Bonds will not carry a rating from any rating service; (iii) this Bond and any interest therein may and shall be sold, transferred or otherwise disposed of only in accordance with the limitations provided in the Authorizing Resolution; and (iv) the District and others will rely upon the truth and accuracy of the foregoing acknowledgments, consents and agreements. It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on this Bond when due shall not, of itself, constitute an Event of Default.***

Reference is hereby made to the Authorizing Resolution for an additional description of the nature and extent of the security for the Series 2020 Bonds, the funds, accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Series 2020 Bonds, the manner in which the Authorizing Resolution may be amended and the other terms and conditions upon which Series 2020 Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Authorizing Resolution until the Certificate of Authentication hereon shall have been signed by the Registrar.

[Execution page follows]

**IN TESTIMONY WHEREOF**, the Board of Directors of The Sands Metropolitan District No. 2 has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual impression or a facsimile of the seal of the District and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the District, all as of the Issue Date specified above.

(S E A L)

**THE SANDS METROPOLITAN DISTRICT NO.  
2**

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President

ATTEST:

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Secretary or Assistant Secretary

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Series 2020 Bonds of the issue described in the within mentioned Authorizing Resolution.

Date of Registration and Authentication:

**THE SANDS METROPOLITAN DISTRICT NO. 2, as Registrar**

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Authorized Signatory

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ this Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer this Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar.

\_\_\_\_\_  
NOTICE: The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular without alteration or any change whatever.

**TRANSFER FEE MAY BE REQUIRED**

\* \* \*



**TABLE OF PARTIAL REDEMPTIONS**

Upon all partial redemptions (whether mandatory or optional), the within Bond may be surrendered to the Paying Agent for the appropriate notation by it on the table below, or the Owner may make such notation itself. However, the Paying Agent’s records relating to the outstanding principal amount of this Bond shall in all cases prevail.

<b><u>Date</u></b>	<b><u>Amount Redeemed</u></b>	<b><u>Remaining Unpaid Principal Amount</u></b>	<b><u>Signature of Owner or Paying Agent</u></b>

*[End of Form of Bond]*

**EXHIBIT C**  
**to**  
**RESOLUTION**

**REPORT OF INDEPENDENT ENGINEERS**

**CERTIFICATION OF RESOLUTION**

*[This Certification is not part of the Resolution]*

STATE OF COLORADO )  
 )  
 EL PASO COUNTY ) ss.  
 )  
 THE SANDS )  
 METROPOLITAN DISTRICT NO. 2 )

I hereby certify that I am the duly appointed, qualified and acting Secretary of The Sands 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 Bonds, Series 2020, which Resolution was passed and adopted by the Board of Directors of the District (the “Board”) at a special meeting of the Board (the “Meeting”) held via teleconference as follows: **Conference Call-In Number: [1 346 248 7799 / Passcode: 551767]**, on [\_\_\_\_\_], [September \_\_, 2020], at the hour of [10:00 a.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:

<b>Director</b>	<b>Attended Meeting by Telephone*</b>	<b>Absent</b>	<b>Moved</b>	<b>Second</b>	<b>“Aye”</b>	<b>“Nay”</b>	<b>Abstain</b>
Jeffrey Mark							
S. Alan Vancil							
David Cocolin							
Sue Gonzales							
Chasity McMorrow							

\* In accordance with Section 11-57-211, C.R.S., these members of the Board participated in the meeting and voted through the use of a conference telephone.

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 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 \_\_\_\_\_, 2020.

(SEAL)

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Secretary

(Attach Notice of Meeting)