

RESOLUTION

WHEREAS, Allison Valley Metropolitan District No.1, City of Colorado Springs, County of El Paso, State of Colorado (the “District”), is a duly and regularly created, established, organized and existing metropolitan district, existing as such under and pursuant to the Constitution and laws of the State of Colorado; and

WHEREAS, at an election of the eligible electors of the District duly called and held on Tuesday, November 3, 2015 (the “2015 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2015 Election voted in favor of, among other questions, the questions attached hereto as Exhibit A for the purpose of issuing general obligation debt of the District; and

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

WHEREAS, the results of the 2015 Election have been certified by the District via certified mail to the municipality in which the District is located within 45 days after the 2015 Election, and with the division of securities created by §11-51-701, C.R.S. within forty-five days after the 2015 Election; and

WHEREAS, none of the debt authorized at the 2015 Election has been previously issued or incurred; and

WHEREAS, the District is authorized by the Amended and Restated Consolidated Service Plan For Allison Valley Metropolitan District No. 1 and Allison Valley Metropolitan District No. 2 dated June 1, 2015 (“Service Plan”) and by Section 32-1-101 *et seq.* of the Colorado Revised Statutes (the “Special District Act”) to plan, design, acquire, construct, install, relocate, develop and finance certain public improvements (“Public Improvements”); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined that in order to finance a portion of the costs of the Public Improvements (the “Project”), it is in the best interests of the District, its residents and taxpayers for the District to enter into a Loan Agreement (the “Loan Agreement”) with Vectra Bank Colorado, as lender (“Vectra Bank”), to obtain a not to exceed \$6,500,000 2017B Limited Tax General Obligation Loan (the “Loan”); and

WHEREAS, the Loan shall be entered into pursuant to the provisions of Title 32, Article 1, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Loan shall be a limited general obligation of the District payable solely from the Pledged Revenue (as defined in the Loan Agreement) and the obligation to repay the Loan shall be evidenced by a promissory note in the form attached to the Loan Agreement (the “Note”) from the District, as maker, to Vectra Bank, as lender; and

WHEREAS, the creation of the indebtedness authorized herein will not cause the District to exceed the maximum general obligation indebtedness authorized by Colorado law; and

WHEREAS, the Loan Agreement, the Loan and the Note shall be authorized, executed and delivered pursuant to the authority conferred at the 2015 Election; and

WHEREAS, the proceeds derived from the Loan, after payment of the costs of issuance properly allocable thereto, shall be used to defray the costs of the Project; and

WHEREAS, Vectra Bank is a “financial institution or institutional investor” for purposes of Section 32-1-1101(6), C.R.S., such that the Loan is not subject to the debt limitations contained therein; and

WHEREAS, the Loan does not involve a public offering and shall be made exclusively with Vectra Bank, which is an accredited investor, as that term is defined under Sections 3(b) and (4)(2) of the federal Securities Act of 1933 by regulation adopted thereunder by the Securities and Exchange Commission so that the Loan will be exempt from registration under Section 11-59-110(1)(g) of the Colorado Municipal Bond Supervision Act; and

WHEREAS, after consideration, the Board has determined that entering into the Loan Agreement and related documents and implementing the Project is in the best interests of the District and the residents thereof; and

WHEREAS, there has been presented to this meeting of the Board the proposed forms of: (i) the Loan Agreement, including the form of Note attached thereto; and (ii) the Custodial Agreement (the “Custodial Agreement”) between the District and Zions First National Bank, as custodian for the Loan (collectively, the Loan Agreement, the Note and the Custodial Agreement are known as the “Financing Documents”); and

WHEREAS, the Board desires to authorize the Loan and the execution and delivery of the Financing Documents; and

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

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ALLISON VALLEY METROPOLITAN DISTRICT NO.1:

Section 1. Ratification and Approval of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and by the officers, agents or employees of the District directed toward the issuance of the Loan and the implementation of the Project, including without limitation the execution and delivery of a commitment letter with Vectra Bank dated _____, is hereby ratified, approved, and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution and the laws of the State of Colorado, that the implementation of the Project and financing the respective costs thereof pursuant to the terms set

forth in the Financing Documents, are in the best interests of the inhabitants of the District, and the Board hereby authorizes and approves the same.

Section 3. Supplemental Act. Section 11-57-204 of the Supplemental Act provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Loan and the Financing Documents. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan as provided in the Financing Documents shall be governed by Section 11-57-208 of the Supplemental Act. The amounts pledged to the payment of the Loan shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 4. Approvals, Authorizations, and Amendments. In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, C.R.S.; the 2015 Election; and all other laws of the State of Colorado thereunto enabling, the District is hereby authorized to enter into the Financing Documents and execute and deliver the Note for the purpose of: (i) paying the costs of the Project; and (ii) paying issuance and other costs in connection with the Loan and the transactions contemplated by this Resolution and the Loan Agreement.

The Loan shall constitute a limited tax general obligation of the District as provided in the Loan Agreement.

The Board hereby authorizes the execution and delivery of the Financing Documents and the implementation of the Project in accordance therewith. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in substantially the form of such documents presented at this meeting, provided that such Financing Documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. The President or Vice President and the Secretary or an Assistant Secretary are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable in order to secure the Loan and to implement the Project, including any such documents providing written direction on behalf of the District to the Custodian to take action under the Financing Documents.

Upon execution and delivery of the Financing Documents, the covenants, agreements, recitals and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals and representations are hereby adopted and incorporated herein by reference.

Section 5. Authorization to Execute Collateral Documents. The members of the Board and the officers and employees of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including

without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the District any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. The execution of any document or instrument by the aforementioned officers or members of the Board shall be conclusive evidence of the approval by the District of such document or instrument in accordance with the terms hereof and thereof.

Section 6. Resolution Irrepealable. After the Loan has been funded this Resolution shall constitute a contract between Vectra Bank, or any subsequent owner of the Loan, and the District, and shall be and remain irrepealable until the Loan and the interest accruing thereon shall have been fully paid, satisfied and discharged, as herein and therein provided.

Section 7. Repealer. All acts, 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 8. 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 9. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

(Remainder of page intentionally left blank.)

PASSED, ADOPTED AND APPROVED this _____, 2017.

Chairman of the Board of
Directors and President

(SEAL)

ATTEST:

Secretary

[SIGNATURE PAGE TO 2017B AUTHORIZING RESOLUTION]

STATE OF COLORADO)
)
 COUNTY OF EL PASO) SS.
)
 ALLISON VALLEY)
 METROPOLITAN DISTRICT NO.1)

I, the Secretary of the Board of Directors (the “Board”) of Allison Valley Metropolitan District No.1, in the City of Colorado Springs, County of El Paso, State of Colorado, do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the “Resolution”) passed and adopted by the Board at a special meeting of the Board held on _____, 2017.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the special meeting of _____, 2017 by an affirmative vote of a majority of the members of the Board as follows:

<u>Name</u>	<u>“Yes”</u>	<u>“No”</u>	<u>Absent</u>	<u>Abstain</u>
Doug Quimby, President and Chairman				
Tom Taylor				
Mike Ruebenson				
Patrick Leach				
Robert Leach				

3. The Directors constituted a quorum 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 and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of the Resolution.

6. Notice of the special meeting of _____, 2017, in the form attached hereto as Appendix A was posted at three public places within the District, and at the office of the County Clerk and Recorder of the County of El Paso, Colorado, at least 72 hours prior to the special meeting in accordance with law.

WITNESS my hand and the seal of the District this _____, 2017.

Secretary
Allison Valley Metropolitan District No.1
City of Colorado Springs,
County of El Paso, Colorado

(SEAL)

[SIGNATURE PAGE TO SECRETARY'S CERTIFICATE
2017 AUTHORIZING RESOLUTION]

APPENDIX A

**NOTICE OF COMBINED SPECIAL MEETING
OF THE ALLISON VALLEY METROPOLITAN DISTRICT NOS. 1-2
EL PASO COUNTY, COLORADO**

NOTICE IS HEREBY GIVEN that the Boards of Directors of the ALLISON VALLEY METROPOLITAN DISTRICT NOS. 1-2 of El Paso County, Colorado, will hold a combined special meeting at _:00 _m. on _____, the ____ day of _____, 2017, at La Plata Communities, Inc., 1755 Telstar Drive, Ste. 211, Colorado Springs, CO 80920.

At this meeting, it is anticipated that the Board of Allison Valley Metropolitan District No.1 will make a final determination to issue general obligation indebtedness. Specifically, District No.1 will consider adoption of a resolution authorizing the incurrence of general obligation indebtedness in the form of a loan from Vectra Bank Colorado, National Association, for the purpose of funding public improvements, cost of issuance, and related costs. The resolution will also authorize the execution of a loan agreement and a custodial agreement, and such other agreements, documents, and certificates as may be necessary or appropriate in connection with the loan.

The Boards will also address those matters set out in the attached agenda as the same may be amended at the meeting and for the purpose of conducting such other business as may properly come before the Boards. The meeting is open to the public.

Pursuant to the provisions of the Supplemental Public Securities Act, one or more members of the Boards may participate in this meeting and may vote on the foregoing matters through the use of a conference telephone or other telecommunications device.

BY ORDER OF THE BOARDS OF DIRECTORS:
ALLISON VALLEY METROPOLITAN DISTRICT NOS. 1-2

By: /s/ Spencer Fane LLP
Counsel to the District

Dated this ____ day of _____, 2017

Posted at three public places within each District, and at the office of the El Paso County Clerk and Recorder, not less than 72 hours prior to the meeting.

EXHIBIT A

BALLOT QUESTIONS FROM 2015 ELECTION