

RESOLUTION NO. _____-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATIONS AND LOANS BY THE ALLISON VALLEY METROPOLITAN DISTRICT NO. 2

WHEREAS, by Resolution No. 9-06, the City Council approved the Special District Policy on January 24, 2006, a City Financial Policy Regarding the Use of Districts (the "Policy"), providing for certain financial and other limitations in the use of special districts as an available method in financing public infrastructure; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, the City Council held a public hearing and approved the original formation and service plan (the "Service Plan") for the Allison Valley Metropolitan Districts Nos. 1 and 2 (the "Districts") by Resolution No. 129-06 adopted on August 22, 2006; and

WHEREAS, pursuant to the provisions of Title 32, Colorado Revised Statutes, and pursuant to proper notice having been provided as required by law, City Council approved an amended and restated consolidated service plan for the Districts (the "Service Plan") by Resolution No. ____-15 adopted on September 8, 2015; and

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

WHEREAS, the Allison Valley Metropolitan District No. 2 ("District") has submitted for review, and City Council has reviewed, various related debt instrument documents, including draft copies of Loan Agreements authorizing loans in a principal amount of up to \$13,500,000 ("Loan Agreements"), a preliminary opinion of bond counsel, a preliminary opinion of the District's general counsel, and a preliminary opinion of an external financial advisor (the "Loan Agreement Documents"); and

WHEREAS, City Council considered the Loan Agreement Documents as well as all other testimony and evidence presented at the November 8, 2015 City Council meeting; and

WHEREAS, the District, having presented evidence that it has satisfied the conditions of approval and other Service Plan prerequisites, requests approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Loan Agreements.

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

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

Section 2. In reliance on the information presented by the District, Council hereby finds that the issuance of indebtedness by the District in a structure substantially similar to and consistent with the Loan Agreements complies with the Service Plan and all applicable laws.

Section 3. The Loan Agreements authorizing loans in a combined principal amount of up to \$13,500,000 as described in the Loan Agreement Documents is hereby approved provided, however, that the indebtedness evidenced by the Loan Agreement Documents shall be solely an obligation of the District, and the City shall have no liability or other responsibility therefore.

Section 4. The issuance of debt in a structure substantially similar to and consistent with the Loan Agreement Documents, subject to minor changes and revisions as may be approved by City staff, is hereby approved.

Section 5. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution. If the District desires to issue this debt/close on the first of these loans any time after September 8, 2016, a new City Council approval will be required.

DATED at Colorado Springs, Colorado, this 8th day of September 2015.

Merv Bennett, Council President

ATTEST:

Sarah Johnson, City Clerk