

RESOLUTION NO. 57-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING THE ISSUANCE OF DEBT BY THE COLORADO CROSSING METROPOLITAN DISTRICT NO. 2 IN THE FORM OF LIMITED PROPERTY TAX SUPPORTED REVENUE BONDS AND BY COLORADO CROSSING METROPOLITAN DISTRICT NOS. 1 AND 3 IN THE FORM OF A CAPITAL PLEDGE AGREEMENT

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 a Consolidated Service Plan ("the Service Plan") for the Colorado Crossing Metropolitan District Nos. 1-3 (the "Districts") by Resolution No. 126-06 adopted on August 22, 2006; and

WHEREAS, on October 25, 2016 City Council approved an amendment of the Service Plan; and

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

WHEREAS, the Districts have submitted for review, and City Council has reviewed, certain debt instrument documents, including a draft term sheet, draft bond resolution for the proposed Colorado Crossing Metropolitan District No. 2 ("District No. 2") Series 2017 Limited Property Tax Supported Revenue Bonds, draft indenture of trust, the proposed Capital Pledge Agreement among the Districts (the "Pledge Agreement"), and a preliminary opinion of the District's general counsel (collectively, the "Bond Documents"); and

WHEREAS, City Council considered the Bond Documents as well as all other testimony and evidence presented at the May 9, 2017 City Council meeting; and

WHEREAS, the Districts, having presented evidence that it has satisfied the conditions of approval and other District Service Plan prerequisites, request approval of the issuance of indebtedness in a structure substantially similar to and consistent with the Bond Documents, in an amount not to exceed a principal amount of \$15,000,000.

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 Districts, Council hereby finds that the issuance of indebtedness by the Districts in a structure substantially similar to and consistent with the Bond Documents complies with the Service Plan as amended and all applicable laws.

Section 3. Issuance of indebtedness by the Districts in the form of (1) District No. 2 Limited Property Tax Supported Revenue Bonds in the combined principal amount of up to \$15,000,000.00 in a structure substantially similar to and consistent with the Bond Documents, and (2) the Capital Pledge Agreement in substantially the form presented, both subject to minor changes and revisions as may be approved by City staff, is hereby approved; provided, however, that such indebtedness shall be solely an obligation of the Districts, and the City shall have no liability or other responsibility therefor.

Section 4. The approvals contained herein shall be effective for a maximum of one (1) year from the date of this Resolution. If the Districts desire to issue this debt any time after May 9, 2018 a new City Council approval will be required.

Section 5. This Resolution shall be effective upon its approval by City Council.

DATED at Colorado Springs, Colorado, this 9th day of May, 2017.



Council President

ATTEST:


Sarah Johnson, City Clerk



CAPITAL PLEDGE AGREEMENT

This **CAPITAL PLEDGE AGREEMENT** (the “**Agreement**”), is made, entered into and dated as of July 1, 2017 by and among **COLORADO CROSSING METROPOLITAN DISTRICT NO. 2** (the “**Issuing District**” or “**District No. 2**”), a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, **COLORADO CROSSING METROPOLITAN DISTRICT NO. 1** (“**District No. 1**”), a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, **COLORADO CROSSING METROPOLITAN DISTRICT NO. 3** (“**District No. 3**”), a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, and **UMB BANK, N.A.**, as trustee (the “**Trustee**”). **District No. 1** and **District No. 3** are sometimes referred to herein each individually as a “**Taxing District**” and, collectively, as the “**Taxing Districts.**” The **Issuing District** and the **Taxing Districts** are collectively referred to as the “**Districts.**”

RECITALS

A. Capitalized terms used and not defined in these Recitals shall have the meanings assigned to them in Article I hereof.

B. The **Districts** are special metropolitan districts organized pursuant to Section 32-1-101, C.R.S. et seq. and operate in accordance with the **Service Plan**.

C. The **Districts** were organized as part of a common plan to provide public infrastructure improvements within and without the boundaries of a planned development, and under the **Service Plan**, the **Districts** are intended to work together and coordinate their activities with respect to the financing and construction of public improvements necessary to serve such development.

D. Pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the **Districts** may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt.

E. Pursuant to the **Service Plan**, the **Districts** entered into an **IGA** in order to establish the nature of the functions and services to be provided by each **District** and to help assure the orderly development of the public improvements and essential services in accordance with the requirements of the **Service Plan**.

F. Pursuant to the **IGA**, **District No. 1** is generally responsible for ownership (subject to potential transfer to other governmental entities and authorities), operation, maintenance, financing and constructing public improvements benefiting all **Districts**, and that **District Nos. 2** and **3** will contribute to the costs of construction, operation, and maintenance of such public improvements through the issuance of debt to finance the costs of public improvements or reimburse previously incurred costs of public improvements, provided that if **District Nos. 2** or **3** issues bonds to finance public improvements benefiting all **Districts**, the other **Districts** may pledge their mill levy and other revenues as security for the repayment of such bonds.

G. The Districts have determined that the public improvements (the “Facilities”) were generally contemplated by the Service Plan, are needed and, due to the nature of the Facilities and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Districts, such Facilities will benefit the Districts, residents, property owners and taxpayers in the Districts as a whole.

H. In order to facilitate the provision of the Facilities in a timely, efficient and cost-effective manner, the Districts have determined and hereby determine that the interests of the Districts and the public interest are served by the Issuing District financing the acquisition and/or provision of certain of the Facilities.

I. The Issuing District has determined to issue its “Colorado Crossing Metropolitan District No. 2 Limited Property Tax Supported Revenue Bonds, Series 2017” in the aggregate principal amount of \$14,781,000 (the “Series 2017 Bonds”) pursuant to the terms of the Indenture.

J. For the purpose of, among other things, financing costs of the Facilities, the Developer has imposed the PIF pursuant to the PIF Covenant on the property currently included in the Districts’ boundaries.

K. To provide additional security for the Bonds, pursuant to the PIF Covenant, the Developer assigned any and all of its rights, title, and interest in the PIF Revenue to District No. 1.

L. Under the PIF Covenant, District No. 1 may assign, pledge or transfer all or any portion of the PIF Revenue to the Issuing District or District No. 3 in connection with a Financing (as defined in the PIF Covenant).

M. To provide additional security for the Bonds, the Developer has recorded the 2017 PILOT against certain property located in District No. 3 and pursuant to the Inclusion Agreement, has covenanted to record a PILOT in the future against certain properties.

N. In furtherance of carrying out their responsibilities under the IGA and the Service Plan, in order to facilitate the financing of the Facilities by the Issuing District and to secure the payment of the Bonds, and in exchange for the purchase of the Bonds by the Bondholders, (i) each Taxing District desires to pledge to the Issuing District and Trustee its respective Pledge Agreement Revenue and to covenant to take certain actions with respect to generating and collecting the same for the purpose of paying the Payment Obligation, and (ii) District No. 1 desires to assign and pledge to the Issuing District all of its right, title and interest in the PIF Revenue.

O. Pursuant to Section 32-1-1101(1), C.R.S., the Taxing Districts are authorized to incur indebtedness for the foregoing purposes.

P. At elections of the qualified electors of each Taxing District duly called for and held on November 8, 2016 (the “Election”), in accordance with law and pursuant to due notice, a majority of eligible electors who voted at the Election voted in favor of the issuance of indebtedness by each Taxing District, such debt to consist of a contract with one or more

political subdivisions of the State obligating a Taxing District to pay the costs of acquiring, constructing, or otherwise providing certain public improvements (including the Facilities) in the amount of \$35,000,000 for each Taxing District (the “IGA Authorization”).

Q. It has been and it is hereby determined by the Districts that each Taxing District shall be liable for the repayment of the Payment Obligation only to the extent of its Pledge Agreement Revenue.

R. The Taxing Districts hereby express their collective intention to make the necessary portion of the IGA Authorization available to support the Payment Obligation established in this Agreement and to make an allocation from their respective voted authorizations to the IGA Authorization based upon the amount of revenues generated from their respective Pledge Agreement Revenue and hereby determine that such allocation is fair and is reasonably related to the relative benefit the residents, property owners, and taxpayers of the Taxing Districts receive from the Facilities.

S. The Districts have determined and hereby determine that the execution of this Agreement, the issuance of the Bonds, and the provision of the Facilities are in the best interests of the Districts and the residents, property owners, and taxpayers thereof.

AGREEMENT

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used herein, unless otherwise expressly provided or the context expressly indicates otherwise, the words capitalized in the text of this Agreement shall have the respective meanings set forth below:

“**2017 PILOT**” means the Declaration of Covenants Concerning Payment in Lieu of Taxes recorded by the Developer against certain property located in District No. 3 in the real property records of the El Paso County on July 10, 2017 at reception number 217080631, as it may be amended or supplemented from time to time in accordance with the provisions thereof and this Agreement.

“**Additional Obligations**” means bonds, notes, or other obligations of a Taxing District payable in whole or in part from, or constituting a lien upon, the general ad valorem taxes of such Taxing District (other than general ad valorem taxes imposed for the purpose of funding operation, maintenance and administrative costs, provided that such taxes are not imposed in excess of the amount permitted under the Service Plan after first taking into account the imposition of the Capital Levies) or other Pledge Agreement Revenue.

“**Agreement**” means this Capital Pledge Agreement and any amendment hereto made in accordance herewith.

“**Board**” or “**Boards**” means the lawfully organized Boards of Directors of the Districts.

“**Board of County Commissioners**” means the Board of County Commissioners for El Paso County, Colorado.

“**Bond Costs**” means the principal and redemption price of, an interest and premium on, the Bonds, funding of reserve funds, surplus funds, sinking funds, costs of issuance, credit enhancement fees and costs, costs and fees of any direct lender, fees and expenses of trustee, bond registrar, paying agent, authentication agent, PIF collecting agent, or remarketing agent, and other administrative and compliance related costs.

“**Bond Documents**” means the Indenture, any supplemental indenture, resolution, loan agreement or other agreement entered into or adopted by the Issuing District in connection with the issuance of the Bonds.

“**Bondholders**” means registered owners of the Bonds.

“**Bonds**” means, collectively, the Series 2017 Bonds and any Refunding Obligations.

“**Capital Fees**” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges), if any, lawfully imposed by any Taxing District or any Taxing District-owned “**enterprise**” under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by a Taxing District, whether now in effect or imposed in the future, and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by a Taxing District from any action to enforce the collection of Capital Fees it imposed.

“**Capital Levies**” means, collectively, ad valorem mill levies (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of each Taxing District each year at a rate equal to:

- (a) subject to paragraphs (c) and (d) below, with respect to District No. 1,
 - i. during the Maximum Debt Mill Levy Imposition Term, 50 mills less the amount of the debt service mill levy imposed by the Issuing District in the same year in which the District No. 1 mill levy is imposed; and
 - ii. after the expiration of the Maximum Debt Mill Levy Imposition Term, 50 mills,

it being the intent that the mill levy imposed by District No. 1 hereunder shall not exceed 50 mills;

(b) subject to paragraphs (c) and (d) below, with respect to District No. 3, 50 mills;

(c) If, on or after January 1, 2006, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; mill levies set forth in paragraphs (a) and (b) above shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of each Taxing District in good faith with respect to mill levies imposed by such Taxing District (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levies, as adjusted for changes occurring after January 1, 2006, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation; and

(d) Notwithstanding anything herein to the contrary, in no event may a Taxing District impose a Capital Levy at a mill levy which would cause such Taxing District to derive tax revenue in any year in excess of the maximum tax increases permitted by its electoral authorization, and if the Capital Levy would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by such Taxing District's electoral authorization, the Capital Levy of such Taxing District shall be reduced to the point that such maximum tax increase is not exceeded.

"County" means El Paso County, Colorado.

"Developer" means Interquest Westside LLC, a Delaware limited liability company.

"District No. 1" means Colorado Crossing Metropolitan District No. 1, and its successors and assigns.

"District No. 3" means Colorado Crossing Metropolitan District No. 3, and its successors and assigns.

"Districts" mean the Issuing District and both Taxing Districts collectively, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any District, if applicable.

"Election" shall have the meaning set forth in the Recitals.

"Facilities" shall have the meaning set forth in the Recitals.

"IGA" means the Amended and Restated Intergovernmental Agreement dated as of July 11, 2017 among the Districts, as the same may be supplemented or amended from time to time.

"Inclusion Agreement" means an Inclusion Agreement Colorado Crossing Metropolitan District Nos. 1 and 2 dated as of July 11, 2017 among the District, District No. 1 and the Developer, as it may be amended or supplemented from time to time.

“Indenture” means the Trust Indenture dated as of July 1, 2017 between the Issuing District and the Trustee, as the same may be supplemented or amended from time to time.

“Issuing District” or **“District No. 2”** means Colorado Crossing Metropolitan District No. 2, and its successors and assigns.

“Maximum Debt Mill Levy Imposition Term” shall have the meaning ascribed thereto in the Service Plan.

“Payment Obligation” means, with respect to each Taxing District, the Taxing District’s obligation to pay that portion of the Bond Costs in accordance with the provisions hereof as could be paid from its respective Pledge Agreement Revenue, to the extent available.

“PIF” means the public improvement fee in the amount imposed on certain sales transactions and lodging transactions pursuant to the PIF Covenant.

“PIF Collection Agent” means CliftonLarsonAllen LLP, or any successor thereto engaged by District No. 1 for the purpose of collecting the PIF Revenue.

“PIF Collection Agreement” means the PIF Collection Agreement dated as of July 11, 2017, among District No. 1, the PIF Collection Agent and the Trustee, as it may be amended or supplemented from time to time in accordance with the provisions thereof and this Agreement.

“PIF Covenant” the Declaration of Covenants Imposing and Implementing the Victory Ridge Public Improvements Fee made as of March 22, 2017 by the Developer and recorded in the real property records of the County on March 22, 2017 at reception number 217032699, as it may be amended or supplemented from time to time in accordance with the provisions thereof and this Agreement.

“PIF Revenue” means all revenue resulting from the PIF, including all late fees and penalties payable in accordance with the PIF Covenant.

“PILOT” means, collectively, one or more covenants recorded against the subject property imposing a payment in lieu of taxes against any portion of such property that is exempt from ad valorem property taxation, which payment is calculated to be an amount that is equivalent to the ad valorem property taxes that would have been payable to District No. 1 or District No. 3, as applicable, in such year from their respective total mill levies if the subject property was not otherwise exempt from ad valorem property taxation, and satisfying such other conditions, if any, as may be set forth in the Indenture or any other Bond Document wherein the proceeds of such PILOT are pledged. Specifically, a PILOT as defined herein must satisfy the conditions contained in the definition of PILOT in the Indenture. It is acknowledged that neither Taxing District is under any obligation to negotiate or otherwise cause to be recorded a PILOT against any property, but that in the event any such PILOT is recorded and any PILOT Revenues resulting therefrom are payable to any Taxing District such PILOT Revenues is hereby pledged by such Taxing District to the Issuing District and the Trustee by the terms hereof. The 2017 PILOT is a PILOT hereunder.

“PILOT Revenue” means, for any calendar year, that portion of revenues derived from a PILOT that is attributable to amounts received thereunder that are equivalent to the ad valorem property taxes that would have been payable to District No. 1 or District No. 3, as applicable, in such year from their respective Capital Levies if the property subject to the PILOT was not otherwise exempt from ad valorem property taxation, including, without limitation, interest and other fees collected on such amounts that are delinquent under a PILOT.

“Pledge Agreement Revenue” means:

(i) with respect to District No. 1, the following revenue (net of any costs of collection): (A) revenues generated from the imposition by District No. 1 of its mill levy in accordance with the definition of the Capital Levies, including Specific Ownership Taxes, (B) any Capital Fees, (C) the PIF Revenue, and (D) the PILOT Revenue (if any); and

(ii) with respect to District No. 3, the following revenue (net of any costs of collection): (A) revenues generated from the imposition by District No. 3 of its mill levy in accordance with the definition of the Capital Levies, including Specific Ownership Taxes, (B) any Capital Fees, and (C) the PILOT Revenue.

“Refunding Obligations” means any bonds, notes, certificates or obligations issued or incurred by the Issuing District and designated by the Issuing District as secured by a lien on all or a portion of the Pledge Agreement Revenue payable hereunder, provided that such obligations (i) are issued or incurred for the purpose of refunding all or a portion of the outstanding Series 2017 Bonds, (ii) are issued in compliance with the Colorado Municipal Bond Supervision Act (Section 11-59-101, et seq.) or any successor statute, and (iii) will initially be issued in the manner satisfying the provisions of Section 32-1-1101(6), C.R.S.; and further provided that if the principal amount of such obligations exceeds the principal amount of the Series 2017 Bonds being refunded due to the funding of costs of issuance, funding reserve fund or a surplus fund, but not to finance or reimburse the costs of Facilities (the **“Excess Principal Amount”**), the Excess Principal Amount shall not cause any Taxing District to exceed the amount of debt permitted to be issued by the Service Plan and its electoral authorization.

“Series 2017 Bonds” shall have the meaning set forth in the Recitals.

“Service Plan” means the Consolidated Service Plans for Colorado Crossing Metropolitan District No. 1, Colorado Crossing Metropolitan District No. 2, Colorado Crossing Metropolitan District No. 3 in the City of Colorado Springs, Colorado, approved by the City on August 1, 2006, as amended by the First Amendment approved by the City on October 25, 2016, as the same may be further amended from time to time.

“Specific Ownership Taxes” shall mean the specific ownership taxes that are collected by the County and remitted to a Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of ad valorem property taxes pursuant to the definition of the Capital Levies.

“State” means the State of Colorado.

“**Supplemental Act**” means the Supplemental Public Securities Act, Sections 11-57-201, *et seq.*, C.R.S., or any successor statute.

“**Taxing District**” means, individually, District No. 1 or District No. 3.

“**Taxing Districts**” means, collectively, District No. 1 and District No. 3.

“**Trustee**” means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee under the Indenture, or any successor trustee, appointed, qualified, and acting as trustee under the provisions of the Indenture.

1.2 Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement; and the term “hereafter” means after the date of execution of this Agreement.

All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 1.1 hereof.

Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

ARTICLE II

PAYMENT OBLIGATION

2.1 No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved at the Election held in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval.

2.2 Limited Tax General and Special Revenue Obligation. The Payment Obligation of each Taxing District under this Agreement constitutes limited tax general and special revenue obligation of each Taxing District payable solely from and to the extent of the Pledge Agreement Revenue of such Taxing District. Such Pledge Agreement Revenue is hereby pledged by each Taxing District to the Issuing District and the Trustee, on behalf of the Bondholders, for the payment of such Taxing District’s Payment Obligation in accordance with

the terms hereof. The Payment Obligation of each Taxing District shall constitute an irrevocable lien upon the Pledge Agreement Revenue of such Taxing District.

2.3 Supplemental Act. Each Taxing District hereby elects to apply all of the provisions of the Supplemental Act to this Agreement and its Payment Obligation.

2.4 Electoral Limitations. In no event shall the total or annual obligations of a Taxing District pursuant to its Payment Obligation hereunder exceed the maximum amounts permitted under its electoral authority and any other applicable law. The entire Payment Obligation with respect to any Taxing District will be deemed defeased and no longer outstanding upon the payment by such Taxing District of such amount.

2.5 No Prepayment. Because the actual total Pledge Agreement Revenue payable by either Taxing District hereunder cannot be determined with any certainty at this time, neither Taxing District shall be permitted to pre-pay any amounts due hereunder.

2.6 Imposition of Capital Levy. Until the Bonds are fully discharged pursuant to the terms of the Indenture and the applicable Bond Documents, each Taxing District covenants as follows:

(a) In order to fund its Payment Obligation, each Taxing District agrees to levy on all of the taxable property of such Taxing District, in addition to all other taxes, direct annual taxes in the amount of the Capital Levies in each of the years 2017 to 2046, inclusive (for collection in 2018 to 2047), and in each year thereafter to the extent necessary to provide for payment of the Bond Costs, including, without limitation the Bond Costs related to the Refunding Obligations. Nothing herein shall be construed to require a Taxing District to impose an ad valorem property tax levy for the payment of the Payment Obligation in excess of the ad valorem property taxes set forth in the definition of the Capital Levies.

(b) This Section 2.6 is hereby declared to be the certificate of District No. 1 and District No. 3 to the Board of County Commissioners indicating the aggregate amount of taxes to be levied for the purposes of paying its respective Payment Obligation due hereunder.

(c) It shall be the duty of the Taxing Districts annually at the time and in the manner provided by law for the levying of the Taxing Districts' taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of each Taxing District to cause the appropriate officials of the County, to levy, extend and collect said taxes in the manner provided by law for the purpose of providing funds for the payment of the Payment Obligation promptly as the same becomes due.

(d) Said Taxing District taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State when collected, shall be applied only to the payment of the amounts to be paid hereunder.

(e) Each of the Taxing Districts shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

2.7 Capital Fees. In the event that a Taxing District imposes any Capital Fees, such Taxing District will enforce the collection of the same in such time and manner as the Taxing District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. Nothing herein shall be construed as requiring any Taxing District to impose any Capital Fees.

2.8 Assignment and Pledge of PIF Revenue. In order to secure the payment of the Bonds and provide for the payment of District No. 1's Payment Obligation, District No. 1 hereby assigns and pledges to the Issuing District all of its right, title and interest in and to the PIF Revenue and agrees to remit or cause to be remitted to the Trustee such PIF Revenue in accordance with the terms of the PIF Collection Agreement. District No. 1 agrees to enforce and cause the enforcement of the collection of the PIF Revenue in accordance with the PIF Covenant and the PIF Collection Agreement.

2.9 Payment and Application of Pledge Agreement Revenue. The Taxing Districts hereby agree to remit to the Trustee, as soon as practicable upon receipt, all revenues comprising Pledge Agreement Revenue, which Pledge Agreement Revenue shall be applied by the Trustee to Bond Costs, in accordance with the Indenture and any other applicable Bond Documents. Such Pledge Agreement Revenue shall be paid by the Taxing Districts in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Trustee, or such other method as may be mutually agreed to by the Districts and the Trustee. Notwithstanding the foregoing, the PIF Revenue shall be remitted to the Trustee in accordance with the PIF Collection Agreement.

To the extent that excess revenues are released to the Issuing District pursuant to the provisions of the Indenture or other applicable Bond Documents, the Issuing District agrees to apply the same to the construction, acquisition, and improvement of Facilities.

2.10 Appropriation; No Impairment of Payment Obligation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Boards of the Taxing Districts in each year until the Bonds are fully discharged pursuant to the terms of the Indenture and the applicable Bond Documents. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of the Taxing Districts to levy ad valorem property taxes, or as limiting or impairing the obligation of the Taxing Districts to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

Furthermore, the Taxing Districts acknowledge that third parties may provide financial commitments and additional security for the Bonds and, as a result, shall be entitled to rely on the payment obligations of the Taxing Districts to the Trustee contained hereunder. Accordingly, it is acknowledged by the Districts that the purpose of this Section 2.10 is to ensure that the Trustee, on behalf of the Bondholders, receives all payments due herein in a timely manner in order to pay Bond Costs for the benefit of the Bondholders and such third parties.

2.11 Limited Defenses; Specific Performance. It is understood and agreed by the Taxing Districts that their respective obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of a Taxing District hereunder remains unfulfilled, such Taxing District agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its payment obligations, or take or fail to take any action which would delay a payment to the Issuing District or the Trustee or impair the Issuing District's ability to receive payments due hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of the Taxing Districts, in the event a Taxing District believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.11, it shall, nevertheless, make all payments to the Trustee as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

2.12 No Future Exclusion of Property. The parties agree that this Agreement constitutes "indebtedness" as contemplated by Section 32-1-503, C.R.S. Any property excluded from either Taxing District after the date hereof is to remain liable for the imposition of the Capital Levies and payment of the proceeds thereof in accordance with the provisions hereof, to the same extent as such property otherwise remains liable for the debt of such Taxing District, as provided in Section 32-1-503, C.R.S., until the Bonds are fully discharged pursuant to the terms of the Indenture and the applicable Bond Documents. In the event that any order providing for the exclusion of property from a Taxing District does not so provide and specifically indicate the liability of such excluded property for the obligations set forth herein, the Issuing District and such Taxing District hereby agree to take all actions reasonably necessary to cause the property owners of such proposed excluded property to covenant to assume all responsibilities under this Agreement, which covenants shall run with the land and shall be in a form satisfactory to the Issuing District. It is intended that the provisions of this Section shall not apply to the property that is currently included in the Issuing District if such property is later also included into District No. 1 (without being excluded from the Issuing District), so that such property is contained in both the Issuing District and District No. 1.

2.13 Additional Covenants.

(a) Each Taxing District will maintain its existence and shall 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 Bonds, and will continue to operate and manage its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) Each Taxing District will carry general liability coverage, worker's compensation, public liability, and such other forms of insurance on its insurable property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of such Taxing District, would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect such Taxing District and its operations.

(c) Each Taxing District official or other person having custody of any Taxing District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(d) Without the prior consent of the Issuing District, neither Taxing District will issue or incur Additional Obligations having a lien upon the Pledged Revenue or any part thereof on parity with the lien thereon of the Payment Obligation of such Taxing District (“**Parity Obligations**”). Either Taxing District may issue Additional Obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Payment Obligation of such Taxing District (the “**Subordinate Obligations**”) without the prior consent of the Issuing District if each of the following conditions are met as of the date of issuance of such Subordinate Obligations:

i. The Subordinate Obligations are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the final principal or interest payment date due in that calendar year on the Bonds;

ii. The failure to make a payment due on the Subordinate Obligations shall not constitute an event of default thereunder;

iii. The maximum mill levy which the Taxing District promises to impose for payment of the Subordinate Obligations is not higher than the maximum Capital Levy of such Taxing District, and subject to the same adjustments as the Capital Mill Levy of such Taxing District; and

iv. No amounts can be payable on the Subordinate Obligation so long as any Series 2017 Bonds are Outstanding.

If the Issuing District’s consent is required pursuant to this Section 2.13(d), then the Issuing District may not consent to the issuance of Additional Obligations without first complying with the provisions of the applicable Bond Documents relating to such consent.

(e) The Issuing District shall keep and maintain, or cause to be kept and maintained, accurate records and accounting entries reflecting all funds received from each Taxing District and the use(s) of such funds, including monthly unaudited financial statements reflecting the information contained in the accounting records.

(f) At least once a year each Taxing District will cause an audit to be performed of the records relating to its revenues and expenditures, and each Taxing District shall use its best efforts to have such audit report completed no later than 210 days after the end of any calendar year. The foregoing covenant shall apply notwithstanding any state law audit exemptions that may exist.

(g) District No. 1 and the Issuing District will use their best efforts to enforce the provisions of the Inclusion Agreement in accordance with the provisions thereof.

(h) Each Taxing District will enforce the collection of all amounts payable to it under any PILOT in such time and manner as the Taxing District reasonably determines will

be most efficacious in collecting the same and will diligently pursue all reasonable remedies available to the Taxing District with regard to such enforcement, whether at law or in equity. Without the prior written consent of the Issuing District, the Taxing District will not (i) reduce the amounts due to it under any PILOT, (ii) amend or supplement any PILOT in any way which would materially adversely affect the amount of revenues to be paid to it thereunder, or (iii) consent to the exclusion of any property from the property against which any PILOT is originally recorded.

(i) Each Taxing District agrees to use best efforts to assist the Issuing District in the provision of information, including financial information, if needed, required under each continuing disclosure agreement or similar agreement entered into by the Issuing District in connection with the issuance of the Bonds.

(j) The Payment Obligation of each Taxing District shall be and remain in effect until the Bonds are fully discharged pursuant to the terms of the Indenture and the applicable Bond Documents.

(k) Without the prior written consent of the Issuing District, District No. 1 will not (i) reduce or consent to the reduction of the amounts due to District No. 1 under the PIF Covenant, including but not limited to reducing or consenting to any reduction in the amount of the PIF, (ii) amend or supplement, or consent to an amendment or supplement of, the PIF Collection Agreement or the PIF Covenant in any way which would materially adversely affect the amount of revenues to be paid to District No. 1 thereunder, or (iii) consent to the exclusion of any property from the property against which the PIF Covenant is originally recorded; provided that nothing herein shall prevent District No. 1 from amending or supplementing, or consenting to an amendment or supplement of, the PIF Covenant for the purpose of increasing the amounts due to District No. 1 thereunder.

(l) District No. 1 will use its best efforts to cause the PIF Collection Agent to collect and enforce the payment of the PIF Revenue in accordance with the PIF Covenant and the PIF Collection Agreement. District No. 1 will enforce the collection of all amounts payable to the Trustee under the PIF Collection Agreement in such time and manner as District No. 1 reasonably determines will be most efficacious in collecting the same and will diligently pursue all reasonable remedies available to District No. 1 with regard to such enforcement, whether at law or in equity. Upon request of the Issuing District, District No. 1 will promptly provide copies of any report, notice, data or other information received by District No.1 from the PIF Collection Agent under the PIF Collection Agreement.

(m) In the event any property located within the boundaries of a Taxing District is proposed to be subject to an urban renewal plan containing a tax allocation provision that allocates property taxes levied by such Taxing District, such Taxing District agrees that, to the extent permitted by law, it will use its reasonable best efforts to enter into an agreement with the applicable urban renewal authority obligating the authority to return to such Taxing District all of the incremental property taxes generated in such plan area that result from its imposition of ad valorem property taxes pursuant to the definition of the Capital Levies.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Districts. Each of the Districts hereby makes the following representations and warranties with respect to itself:

(a) The District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) The District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. The District's execution, delivery, and performance of this Agreement have been duly authorized by all necessary action.

(c) The District is not in violation of any of applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the District to perform its obligations hereunder. The execution, delivery and performance by the District of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the District in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of the District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the District is a party or which purports to be binding upon the District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) The District has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the District threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best knowledge of the District is there any basis therefor.

(f) This Agreement constitutes the legal, valid, and binding obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

ARTICLE IV

NON-COMPLIANCE AND REMEDIES

4.1 Events of Non-Compliance. The occurrence or existence of any one or more of the following events shall be an “**Event of Non-Compliance**” hereunder, and there shall be no default or Event of Non-Compliance hereunder except as provided in this Section:

(a) a Taxing District fails or refuses to impose the Capital Levy or to remit the Pledge Agreement Revenue as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto;

(d) a Taxing District commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement; or

(e) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

4.2 Remedies For Events of Non-Compliance. Upon the occurrence and continuance of an Event of Non-Compliance, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Non-Compliance by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in

such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

ARTICLE V

MISCELLANEOUS

5.1 Pledge of Pledge Agreement Revenue. The creation, perfection, enforcement, and priority of the pledge of Pledge Agreement Revenue to secure or pay the Payment Obligation of each Taxing District shall be governed by §11-57-208 of the Supplemental Act and this Agreement. The Pledge Agreement Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. 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 any of the Districts irrespective of whether such persons have notice of such liens.

5.2 No Recourse Against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Boards of any of the Districts, or any officer or agent of any of the Districts acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. 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 this Agreement and as a part of the consideration hereof, each of the Districts and the Trustee specifically waives any such recourse.

5.3 Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

5.4 Limitation of Actions. Pursuant to §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, execution, or delivery of this Agreement shall be commenced more than thirty days after the authorization of this Agreement.

5.5 Notices.

(a) Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

District: Colorado Crossing Metropolitan District No. 2
C/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Attention: Denise Denslow
Phone: 303-265-7910
Email: denise.denslow@claconnect.com

With a copy to: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Attention: Megan Becher
Phone: 303-592-4380
Email: mbecher@specialdistrictlaw.com

Trustee: UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust & Escrow Services
Email: John.Wahl@umb.com

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing. Any District by written notice so provided may change the address to which future notices shall be sent.

(b) In lieu of mailed notice to any person set forth above, the persons designated above may provide notice by email to any email address set forth above for any other person designated above, or by facsimile transmission to any facsimile number set forth above for such person, and any such notices shall be deemed received upon receipt by the sender of an email or facsimile transmission from such person confirming such receipt, or upon receipt by the sender of such other confirmation of receipt as may be reasonably reliable under the circumstances.

(c) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

5.6 Miscellaneous.

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Agreement by, nor is any party relying

on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that there be no third party beneficiaries of this Agreement, other than the Bondholders. Nothing contained herein, expressed or implied, is intended to give to any person other than the Trustee and the Districts any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

(e) This Agreement shall be governed by and construed under the applicable laws of the State.

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties.

(g) If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

(k) The Districts shall have the right to access and review each other's records and accounts, on reasonable times during District's regular office hours, for purposes of

determining compliance by the Districts with the terms of this Agreement. Such access shall be subject to the provisions of Public Records Act of the State of Colorado contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between the parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

(l) The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

(m) The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

5.7 Effective Date and Termination Date. This Agreement shall become effective upon its execution by all parties hereto and shall remain in effect until the Series 2017 Bonds and Refunding Obligations are fully discharged pursuant to the terms of the Indenture or, with respect to the Refunding Obligations, the applicable Bond Documents.

[Signature page follows]

IN WITNESS WHEREOF, the Districts and the Trustee have executed this Agreement as of the day and year first above written.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1



President

ATTEST:



Assistant Secretary

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2



President

ATTEST:



Assistant Secretary

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3



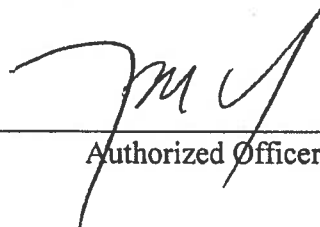
President

ATTEST:



Assistant Secretary

UMB BANK, N.A., as Trustee



Authorized Officer