



(Attach copy of notice of meeting, as posted)

## NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Boards of Directors of BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1, 4 and 5, and BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT, all of El Paso County, Colorado, will jointly hold a special meeting at 9:00 a.m. on Monday, November 12, 2018, at the NorthTree Ranch House, 6885 Vista del Pico Boulevard, Colorado Springs, Colorado.

At this meeting, it is anticipated that

(1) the Board of Directors of BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4 will make a final determination to issue the following general obligation indebtedness: Banning Lewis Ranch Metropolitan District No. 4 Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Metropolitan District No. 4 Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Metropolitan District No. 4 Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$22,000,000;

(2) the Board of Directors of BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 will make a final determination to issue the following general obligation indebtedness: Banning Lewis Ranch Metropolitan District No. 5 Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Metropolitan District No. 5 Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Metropolitan District No. 5 Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$11,500,000; and

(3) the Board of Directors of BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT will make a final determination to issue the following general obligation indebtedness: Banning Lewis Ranch Regional Metropolitan District Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Regional Metropolitan District Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Regional Metropolitan District Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$17,500,000.

The Boards will also address those matters set out in the below 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.

BY ORDER OF THE BOARDS OF DIRECTORS:

BANNING LEWIS RANCH METROPOLITAN  
DISTRICT NO. 1

By: /s/ Aric Jones  
Assistant Secretary

Dated November 6, 2018

BANNING LEWIS RANCH METROPOLITAN  
DISTRICT NO. 4

By: /s/ Aric Jones  
Assistant Secretary

BANNING LEWIS RANCH METROPOLITAN  
DISTRICT NO. 5

By: /s/ Aric Jones  
Assistant Secretary

BANNING LEWIS RANCH REGIONAL  
METROPOLITAN DISTRICT

By: /s/ Aric Jones  
Assistant Secretary

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**AGENDA**

1. Call to order and Approve Agenda
2. Declaration of Quorum/Director Qualifications/Disclosure Items
3. Consent Agenda
  - a. Review and Consider Approval of Minutes of the November 8, 2018 Regular Meeting
4. Community Comments for Items Not on the Agenda (3 minute limit per person)
5. Attorney Matters
  - a. Discuss and Consider Approval of Issuance of, and Approval of Authorization Resolution for Final Determination to Issue, the Banning Lewis Ranch Metropolitan District No. 4 Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Metropolitan District No. 4 Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Metropolitan District No. 4 Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$22,000,000; including execution, issuance, and delivery of documents necessary to complete the Bond transactions, Indentures, Bond Purchase Agreements, and related documents

Dated November 6, 2018

- b. Discuss and Consider Approval of Issuance of, and Approval of Authorization Resolution for Final Determination to Issue, the Banning Lewis Ranch Metropolitan District No. 5 Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Metropolitan District No. 5 Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Metropolitan District No. 5 Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$11,500,000; including execution, issuance, and delivery of documents necessary to complete the Bond transactions, Indentures, Bond Purchase Agreements, and related documents
- c. Discuss and Consider Approval of Issuance of, and Approval of Authorization Resolution for Final Determination to Issue, the Banning Lewis Ranch Regional Metropolitan District Limited Tax General Obligation Bonds, Series 2018A, Banning Lewis Ranch Regional Metropolitan District Subordinate Limited Tax General Obligation Bonds, Series 2018B, and Banning Lewis Ranch Regional Metropolitan District Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the aggregate principal amount not to exceed \$17,500,000; including execution, issuance, and delivery of documents necessary to complete the Bond transactions, Indentures, Bond Purchase Agreements, and related documents
- d. Review and Consider Approval of Engagement Letters from Ballard Spahr LLP as bond counsel in connection with proposed issuance of bonds
- e. Review and Consider Approval of Amended and Restated District Facilities Agreement between Banning Lewis Ranch Metropolitan District No. 1 and Banning Lewis Ranch Metropolitan District No. 4
- f. Review and Consider Approval of Amended and Restated District Facilities Agreement between Banning Lewis Ranch Metropolitan District No. 1 and Banning Lewis Ranch Metropolitan District No. 5
- g. Review and Consider Approval of Amended and Restated Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch Metropolitan District No. 1, Banning Lewis Ranch Metropolitan District No. 4 and Clayton Properties Group II, Inc.
- h. Review and Consider Approval of Amended and Restated Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch Metropolitan District No. 1, Banning Lewis Ranch Metropolitan District No. 5 and Clayton Properties Group II, Inc.

Dated November 6, 2018

- i. Review and Consider Approval of Amended and Restated Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch Metropolitan District No. 1, Banning Lewis Ranch Regional Metropolitan District and Clayton Properties Group II, Inc.
  - j. Review and Consider Approval of Termination of Intergovernmental Financing Agreement between Banning Lewis Ranch Metropolitan District No. 1 and Banning Lewis Ranch Regional Metropolitan District
  - k. Review and Consider Approval by Banning Lewis Ranch Metropolitan District No. 1 of 4<sup>th</sup> Amendment to YMCA Contract
  - l. Review and Consider Approval by Banning Lewis Ranch Metropolitan District No. 1 of Contract with Brightview Landscape Services, Inc. for 2019 Landscape Maintenance and Snow Removal
  - m. Review and Consider Approval by Banning Lewis Ranch Metropolitan District No. 1 of Contract with MSI, LLC for 2019 Covenant Control
- 6. Director Matters
  - 7. Other Business
  - 8. Adjournment

Dated November 6, 2018

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## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4, IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, OF ITS JUNIOR LIEN LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2018C, FOR THE PURPOSE OF REIMBURSING THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS, AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (JUNIOR LIEN); AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

**WHEREAS**, Banning Lewis Ranch Metropolitan District No. 4, in the City of Colorado Springs, El Paso County, Colorado (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, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

**WHEREAS**, the District was organized by Order and Decree of the District Court for El Paso County, Colorado (the “**County**”) issued on December 1, 2005 and recorded on December 16, 2005; and

**WHEREAS**, the District is authorized by Title 32, Article 1, Part 1, C.R.S., to furnish certain public facilities and services, including, but not limited to, streets, water, sewer, parks and recreation, traffic and safety control, transportation, and mosquito control improvements in accordance with the Amended and Restated Service Plan for the District, Banning Lewis Ranch Metropolitan District No. 1 (“**District No. 1**”), Banning Lewis Ranch Metropolitan District No. 2 (“**District No. 2**”), Banning Lewis Ranch Metropolitan District No. 3 (“**District No. 3**”), Banning Lewis Ranch Metropolitan District No. 5, and Banning Lewis Ranch Metropolitan District No. 7 (now known as Banning Lewis Ranch Regional Metropolitan District No. 2) (collectively, the “**Districts**”), approved by the City Council of the City of Colorado Springs on March 11, 2008, as amended by resolution on May 26, 2009 (the “**Service Plan**”); and

**WHEREAS**, at the election of the then qualified electors of the District, duly called and held on Tuesday, November 7, 2006 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, as follows, the questions relating thereto being as set forth in Exhibit B to the Junior Lien Indenture (as defined herein); and

<b>Purpose</b>	<b>Principal Amount Voted</b>
Streets	\$ 84,500,000
Parks and Recreation	84,500,000
Water	84,500,000
Sewer	84,500,000
Traffic and Safety Controls	84,500,000
Transportation	84,500,000
Fire Protection	84,500,000
Mosquito Control	84,500,000
TV Relay and Translation	84,500,000
Refunding	84,500,000
<b>TOTAL</b>	<b>\$845,000,000</b>

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

**WHEREAS**, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S. no later than thirty days prior to the date of issuance of the Bonds; and

**WHEREAS**, the Board of Directors of the District (the “**Board**”) has previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

**WHEREAS**, the Board has previously determined and hereby determines that the Facilities expected to be financed with proceeds of the Bonds (defined below) were generally contemplated by the Service Plan and, prior to the application of proceeds of the Bonds to the costs thereof, the Board will make a finding that such Facilities are in the nature of community improvements intended for the general direct and indirect benefit of the planned residential community within the Districts and will serve the future taxpayers and inhabitants of the Districts; and

**WHEREAS**, for the purpose of funding certain costs of the Facilities, BLR I and II REO, LLC (the “**Prior Developer**”), District No. 1, and District No. 2 have previously entered into the Restated Public Facilities and Operations Funding Agreement effective November 1, 2011 (the “**2011 Funding Agreement**”), pursuant to which the Prior Developer made advances to District No. 1 and District No. 2 for certain public improvements, including the Facilities, and District No. 2 has agreed to reimburse the Prior Developer for such advances in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

**WHEREAS**, the Prior Developer assigned its rights under the 2011 Funding Agreement to MREC Oakwood Colorado Ranch LLC (“**MREC**”) pursuant to the Assignment of Restated Public Facilities and Operations Agreement dated as of May 23, 2012 (the “**2012 Assignment Agreement**”); and

**WHEREAS**, MREC, District No. 1, and District No. 3 entered into an Advance, Acquisition and Reimbursement Agreement dated as of January 1, 2014 (the “**2014 Funding Agreement**”), pursuant to which District No. 3 agreed to repay to MREC advances made to finance the costs of certain public infrastructure, including advances previously made and unreimbursed under the 2011 Funding Agreement; and

**WHEREAS**, pursuant to the General Bill of Sale, Assignment and Assumption Agreement dated as of August 3, 2017 (the “**2017 Assignment Agreement**”), MREC assigned to Clayton Properties Group II, Inc. (the “**Developer**”) all of its rights to receive reimbursements under the 2014 Funding Agreement and all other contracts and contract rights between MREC and third parties relating to property comprising the Districts; and

**WHEREAS**, the District, District No. 1, and the Developer entered into the Amended and Restated Advance, Acquisition and Reimbursement Agreement dated as of November 12, 2018 (the “**Acquisition and Reimbursement Agreement**”), pursuant to which the District has agreed to reimburse the Developer for advances made by the Developer thereunder, including for unreimbursed advances outstanding under the 2014 Funding Agreement, in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

**WHEREAS**, in order to pay such amount but avoid the additional costs which would appertain to another public offering of bonds, the Board of Directors of the District (the “**Board**”) hereby determines to issue its Junior Lien Limited Tax General Obligation Bonds, Series 2018C (the “**Bonds**”) in an aggregate principal amount not in excess of \$5,000,000; and

**WHEREAS**, the District will issue the Bonds to be beneficially owned by the Developer’s affiliate that qualifies as a “financial institution or institutional investor” (as defined in Section 32-1-103(6.5), C.R.S.), in exchange for the extinguishment of the District’s reimbursement obligation with respect to an equivalent amount of previously incurred costs of Facilities due to the Developer under the Acquisition and Reimbursement Agreement and the 2017 Assignment Agreement; and

**WHEREAS**, the Bonds shall be equally secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Junior Lien) (the “**Junior Lien Indenture**”) by and between the District and UMB Bank, n.a., as trustee (the “**Trustee**”), and shall be payable solely from the sources set forth in the Junior Lien Indenture, including the Junior Lien Pledged Revenue (as defined therein); and

**WHEREAS**, for the purpose of financing or reimbursing an additional portion of the Project (including paying amounts due or to become due under the Acquisition and Reimbursement Agreement and the 2017 Assignment Agreement), on or about the date of issuance of the Bonds, the Board intends to issue its Limited Tax General Obligation Bonds, Series 2018A (the “**Series 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) (the “**2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee, and its Subordinate Limited Tax General Obligation Bonds, Series 2018B (the “**Series 2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) (the “**2018B Subordinate Indenture**”), by and between the District and UMB Bank, n.a., as trustee, which

Series 2018A Senior Bonds, 2018A Senior Indenture, Series 2018B Subordinate Bonds, and 2018B Subordinate Indenture are the subject of a separate authorizing resolution of the District, which does not limit, establish preconditions with respect to, or otherwise affect the authorization of the Bonds as provided herein; and

**WHEREAS**, the principal amount of the Bonds shall be allocated to the District's electoral authorization as more particularly provided in the recitals of the Junior Lien Indenture; and

**WHEREAS**, the Service Plan limits the aggregate Debt (as such term is defined in the Service Plan) that may be issued by the Districts to \$400,000,000; and

**WHEREAS**, upon the issuance of the Bonds, the foregoing Service Plan limit will not be exceeded; and

**WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

**WHEREAS**, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Junior Lien Pledged Revenue (as defined in the Junior Lien Indenture); and

**WHEREAS**, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

**WHEREAS**, pursuant to the provisions of the Service Plan, the Bonds are being initially issued in minimum denominations of not less than \$100,000 to "accredited investors" as defined in Rule 501(a) promulgated under the Securities Act of 1933; and

**WHEREAS**, there has been presented to this meeting of the Board a proposal from the Underwriter to privately place the Bonds with Vanderbilt Property & Casualty Insurance Company, Ltd. (the "**Series 2018C Junior Lien Bonds Purchaser**"), an affiliate of the Developer, in accordance with a Bond Purchase Agreement (the "**Series 2018C Bond Purchase Agreement**"), between the District and D.A. Davidson & Co., Denver, Colorado (the "**Underwriter**") a form of which has been presented to the Board at this meeting; and

**WHEREAS**, after consideration, the Board has determined that the placement of the Bonds with the Series 2018C Junior Lien Bonds Purchaser upon the terms and conditions presented to the Board and set forth in the Series 2018C Bond Purchase Agreement (a final form of which will be approved by the Sale Delegate subject to the limitations of the authority

delegated to the Sale Delegate set forth herein) is in the best interests of the District and the taxpayers thereof; and

**WHEREAS**, there has been presented to this meeting of the Board substantially final forms of the following (all as defined herein): the Junior Lien Indenture, the Continuing Disclosure Agreement, and the Series 2018C Bond Purchase Agreement; and

**WHEREAS**, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; and delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S. to execute and deliver the Series 2018C Bond Purchase Agreement and make other determinations regarding the Bonds; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution and the Junior Lien Indenture, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

**WHEREAS**, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the President of the District to determine certain provisions of the Bonds to be set forth in the Sale Certificate, in accordance with the provisions of this Resolution; 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 Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4, IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO:

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Junior Lien Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the “Special District Act,” being Title 32, Article 1, C.R.S. including, specifically, Part 11 thereof.

“*Bond Counsel*” means Ballard Spahr LLP.

“*Bonds*” means the District’s Junior Lien Limited Tax General Obligation Bonds, Series 2018C, dated their date of delivery.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement to be dated as of the date of issuance of the Bonds, by and among the District, the Developer and the Trustee.

“*Developer*” means Clayton Properties Group II, Inc., a Colorado corporation.

“*Facilities*” means public facilities the debt for which was approved at the Election, including without limitation necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the Junior Lien Indenture, the Tax Compliance Certificate, the Series 2018C Bond Purchase Agreement, and the Continuing Disclosure Agreement.

“*Limited Offering Memorandum*” means the final Limited Offering Memorandum relating to the offer and sale of the Bonds.

“*Post Issuance Tax Compliance Policy*” means the Post Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Compliance Certificate.

“*Project*” means the acquisition, construction, and installation of the Facilities.

“*Resolution*” means this Resolution which authorizes the issuance of the Bonds.

“*Sale Certificate*” means the certificate executed by the Sale Delegate under the authority delegated pursuant to this Resolution which sets forth, among other things, the total aggregate principal amount of the Bonds, the interest rates for Bonds, the prices at which Bonds will be sold, and the dates and amounts in which the Bonds are subject to optional and mandatory redemption (including the specification of any optional redemption premium).

“*Sale Delegate*” means the President of the Board.

“*Series 2018A Senior Bonds*” means the District’s Limited Tax General Obligation Bonds, Series 2018A, dated their date of delivery.

“*Series 2018B Subordinate Bonds*” means the District’s Subordinate Limited Tax General Obligation Bonds, Series 2018B, dated their date of delivery.

“*Series 2018C Junior Lien Bonds Purchaser*” means Vanderbilt Property & Casualty Insurance Company, Ltd., an affiliate of the Developer.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Compliance Certificate*” means the Tax Compliance Certificate of the District in a form approved by Bond Counsel governing issues relating to the Bonds under the Internal Revenue Code of 1986, as amended.

“*Underwriter*” means D.A. Davidson & Company, of Denver, Colorado.

**Section 2. Approval and Authorization of Financing Documents.** 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 the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President of the District and the Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the District thereto, and the President, Secretary, or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the financing of the Project (to the extent of proceeds available therefor), including to authorize the payment of net proceeds of the Bonds for costs of issuance of the Bonds, in addition to the other uses contemplated by the Junior Lien Indenture. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution 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.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President of the District, Secretary or Assistant Secretary of the District, or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization of Bonds.** In accordance with the Constitution of the State of Colorado; the Act; the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of funding costs of

the Project as further provided in the Junior Lien Indenture. The Bonds shall constitute limited tax general obligations as provided in the Junior Lien Indenture, secured by the Trust Estate as defined and more particularly provided therein.

**Section 4. Bond Details.** The Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Sale Certificate, and dated the date of delivery of the Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Sale Certificate and the Junior Lien Indenture. The Bonds shall be issued in Authorized Denominations (as defined in the Junior Lien Indenture), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Junior Lien Indenture.

**Section 5. Delegation and Parameters.**

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Sale Certificate: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the Act, the Supplemental Act, or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to prepare and execute the Series 2018C Bond Purchase Agreement and the Sale Certificate, in accordance with such determinations. Upon the execution of the Sale Certificate, the matters set forth in the Sale Certificate shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

- (i) the rates of interest on the Bonds;
- (ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity;
- (iii) the prices at which the Bonds will be sold;
- (iv) the aggregate principal amounts of the Bonds;
- (v) the dates on which principal and interest shall be paid; and
- (vi) the amount of principal maturing in any particular year.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Sale Certificate after the date that is 180 days after the date of adoption of this Resolution and in no event may the Bonds be issued after such date, absent further authorization by the Board;

(ii) the final maturity date of the Bonds shall not exceed December 15, 2058;

(iii) the aggregate principal amount of the Bonds, shall not exceed \$5,000,000;

(iv) the interest rate or rates borne by the Bonds shall not exceed 18.00%; and

(v) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed.

**Section 6. Permitted Amendments to Bond Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Junior Lien Indenture, as provided in the Junior Lien Indenture.

**Section 7. Appointment of District Representatives.** The President of the Board is hereby appointed as a District Representative, as defined in the Junior Lien Indenture. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

**Section 8. Disposition and Investment of Proceeds; Tax Covenants.** The Bonds shall be issued and sold for the purposes aforesaid. Neither the Series 2018C Junior Lien Bonds Purchaser nor any subsequent Owners of the Bonds shall be responsible for the application or disposition by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Junior Lien Indenture). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

**Section 9. Post Issuance Tax Compliance Policy.** The Board hereby approves and adopts the Post-Issuance Tax Compliance Policy and designates the person so identified therein as the “Responsible Person.”

**Section 10. Costs and Expenses.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District (which may include proceeds of the Series 2018A

Senior Bonds and the Series 2018B Subordinate Bonds), or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 11. Limited Offering Memorandum.** The Preliminary Limited Offering Memorandum and its use and distribution in connection with the sale of the Bonds is hereby ratified and approved. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Limited Offering Memorandum if deemed necessary by the Underwriter in connection with its marketing of the Bonds. The Board hereby authorizes the preparation and distribution of a final Limited Offering Memorandum. The Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President of the District is hereby authorized to execute copies of the Limited Offering Memorandum on behalf of the District.

**Section 12. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Junior Lien Indenture, shall be governed by Section 11-57-208 of the Supplemental Act, this Resolution and the Junior Lien Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District or the Trustee, 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 revenues of the District and the obligation to perform the contractual provisions made herein and in the Junior Lien Indenture shall have priority over any or all other obligations and liabilities of the District. 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 13. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, 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 principal, interest or prior redemption premiums on the 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 Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

**Section 14. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

**Section 15. 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 Bonds shall be commenced more than thirty days after the authorization of such securities.

**Section 16. 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, sale, issuance, and delivery of the Bonds, or the execution of any documents in connection with the Bonds, are hereby ratified, approved, and confirmed.

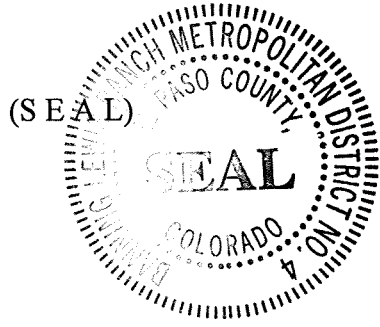
**Section 17. Resolution Irrepealable.** After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Junior Lien Indenture.

**Section 18. 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.

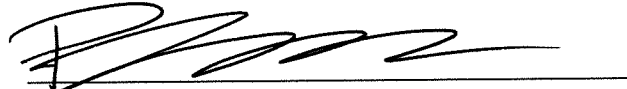
**Section 19. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 20. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

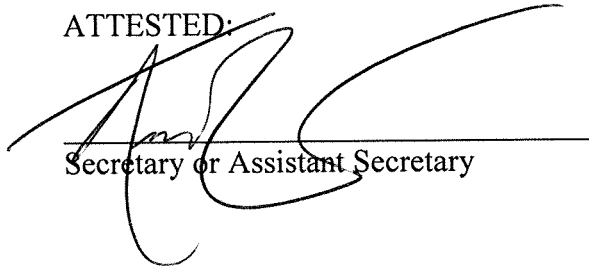
ADOPTED AND APPROVED this 12th day of November, 2018.



BANNING LEWIS RANCH METROPOLITAN  
DISTRICT NO. 4, IN THE CITY OF COLORADO  
SPRINGS, EL PASO COUNTY, COLORADO

  
\_\_\_\_\_  
President

ATTESTED:

  
\_\_\_\_\_  
Secretary or Assistant Secretary