

STATE OF COLORADO)
COUNTY OF EL PASO) ss.
CITY OF COLORADO SPRINGS)

The Colorado Springs Urban Renewal Authority met on the 20th day of July, 2016, at the hour of __:00 a.m. at 107 North Nevada Avenue, Second Floor, Colorado Springs, Colorado.

The following commissioners of the Authority were present:

Chair
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

The following commissioners of the Authority were absent:

Commissioner
Commissioner

The following officers of the Authority were also present:

Jim Rees Executive Director

Also present were:

Kraemer Kendall Rupp Deen Authority Counsel
Neville LLC
Kutak Rock LLP Bond Counsel
D.A. Davidson & Co. Underwriter/Placement
Agent

After the Chair of the Authority called the meeting to order, the following proceedings, among others, were had and taken:

The Chair introduced the following Resolution:

RESOLUTION

A RESOLUTION OF THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY APPROVING A TAX INCREMENT REVENUE REFUNDING SENIOR LOAN AND SUBORDINATE BONDS, AN INTEREST RATE SWAP, CERTAIN AMENDMENTS TO EXISTING OBLIGATIONS AND CERTAIN ADDITIONAL DOCUMENTS FOR THE UNIVERSITY VILLAGE COLORADO URBAN RENEWAL PROJECT AND RELATED MATTERS

WHEREAS, the Colorado Springs Urban Renewal Authority (the “Authority”) is a body corporate, and has been duly organized, established and authorized by the City of Colorado Springs, Colorado (the “City”) to transact business and exercise its powers as an urban renewal authority under the laws of the State of Colorado; and

WHEREAS, the Authority is authorized to transact business and exercise its powers as an urban renewal authority, all under and pursuant to the Colorado Urban Renewal Law, constituting Sections 31-25-101 et seq., Colorado Revised Statutes, as amended (the “Act”); and

WHEREAS, an urban renewal plan, known as the “North Nevada Avenue Corridor Urban Renewal Plan” (the “Urban Renewal Plan”), was duly and regularly approved by the City Council of the City for an urban renewal area established in the Urban Renewal Plan (the “Urban Renewal Area”); and

WHEREAS, the Authority has the power and authority to issue “bonds” (defined by the Act to mean and include notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, debentures or other obligations) pursuant to the Act and the Supplemental Public Securities Act, constituting Sections 11-57-201 et seq., Colorado Revised Statutes, as amended (the “Supplemental Act”), and the Urban Renewal Plan, to finance the activities or operations permitted and authorized to be undertaken by the Authority under the Act and the Urban Renewal Plan; and

WHEREAS, the Authority has undertaken the redevelopment of a portion of the Urban Renewal Area known as University Village Colorado (the “University Village Colorado Project”); and

WHEREAS, in furtherance thereof, the Authority has issued its “Colorado Springs Urban Renewal Authority, Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008A Senior” (the “Series 2008A Senior Bonds”), in aggregate principal amount of \$47,125,000, and its “Colorado Springs Urban Renewal Authority, Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008B Subordinate” (the “Series 2008B Subordinate Bonds” and, collectively with the Series 2008A Senior Bonds, the “2008 Bonds”), in the aggregate principal amount of \$7,505,000, pursuant to an Indenture of Trust dated as of February 1, 2008 (the “2008 Indenture”), between the Authority and UMB Bank, n.a., as trustee (in such capacity, the “2008 Trustee”); and

WHEREAS, the Authority is not currently current on payment of principal of and interest on the 2008 Bonds due to a shortfall in Pledged Revenues; and

WHEREAS, accordingly, the Authority desires to refinance the outstanding 2008 Bonds (the “Refunded Bonds”); and

WHEREAS, to effect such refinancing, the Authority desires to: (a) enter into a 2016 Senior Loan Agreement (the “Senior Loan Agreement”) with U.S. Bank National Association (in such capacity, the “Senior Lender”), pursuant to which the Senior Lender will make a term loan (the “Senior Loan”) to the Authority evidenced by a note (the “Senior Note”) made by the Authority to the Senior Lender as provided in the Senior Loan Agreement; (b) enter into an ISDA Master Agreement, including the Schedule thereto, and a Confirmation entered into pursuant to such Master Agreement (collectively, the “Senior Swap Agreement”) with U.S. Bank National Association (in such capacity, the “Senior Swap Counterparty”) relating to the Senior Loan Agreement; (c) enter into a Custodial Agreement (the “Custodial Agreement”) with UMB Bank, n.a., as custodian (in such capacity, the “Custodian”) relating to the Senior Loan Agreement; and (d) issue its “Colorado Springs Urban Renewal Authority, Subordinate Tax Increment Revenue Bonds (University Village Project Refunding), Series 2016 (the “Subordinate Bonds”) pursuant to a Subordinate Indenture of Trust (the “Subordinate Indenture”) between the Authority and UMB Bank, n.a., as trustee (in such capacity, the “Subordinate Trustee”); and

WHEREAS, the Senior Loan Agreement shall be executed and delivered, and the Senior Note and the Subordinate Bonds shall be issued, pursuant to the Act and the Supplemental Act, and the Senior Swap agreement shall be executed and delivered pursuant to the Act; and

WHEREAS, D.A. Davidson & Co. (“D.A. Davidson”) will act as placement agent for the Senior Loan pursuant to a Placement Agent Agreement (the “Senior Placement Agent Agreement”) between the Authority and D.A. Davidson; and

WHEREAS, D.A. Davidson will agree to purchase the Subordinate Bonds pursuant to a Bond Purchase Agreement (the “Subordinate Bond Purchase Agreement”) between the Authority and D.A. Davidson; and

WHEREAS, the net proceeds of the Senior Loan and of the Subordinate Bonds will be deposited in a defeasance escrow pursuant to Refunding Escrow Agreement (the “Escrow Agreement”) between the Authority and UMB Bank, n.a., as escrow agent (in such capacity, the “Escrow Agent”) for the purpose of paying the principal and redemption price of and interest on the Refunded Bonds; and

WHEREAS, in connection with the foregoing, the Authority desires to enter into: (a) a First Amendment amending the Advanced Funds Note dated February 1, 2008 (the “Developer Junior Lien Note Amendment”) made by the Authority to University Village Developers, LLC (the “Developer”); (b) a Second Loan Agreement Amendment amending the Loan Agreement dated as of March 20, 2008, between the University of Colorado, as lender, and the Authority, as borrower, as previously amended by the Loan Agreement Amendment dated as of November 10, 2015 (the “Second UCCS Junior Lien Loan Agreement Amendment”); and (c) an Acknowledgement and Agreement regarding the Memorandum of Understanding dated January 15, 2009 between the Authority and the City (the “City Junior Lien MOU Acknowledgment”); and

WHEREAS, there has been presented to the Board of Commissioners of the Authority (the "Board") the proposed form of the Preliminary Limited Offering Memorandum (the "Preliminary Limited Offering Memorandum") pursuant to which D.A. Davidson will market the Subordinate Bonds to institutional investors, together with a form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and among the Authority, the Subordinate Trustee and the Developer; and

WHEREAS, there has also been presented to the Board of Commissioners of the Authority the proposed forms of the Senior Loan Agreement, the Custodial Agreement, the Senior Swap Agreement, the Subordinate Indenture, the Senior Placement Agent Agreement, the Subordinate Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, the Developer Junior Lien Note Amendment, the Second UCCS Junior Lien Loan Agreement Amendment and the City Junior Lien MOU Acknowledgment (collectively, the "Authority Documents"); and

WHEREAS, the Authority desires to authorize the execution and delivery of the Authority Documents, the issuance of the Senior Note and the Subordinate Bonds, the undertaking of certain actions and the execution of certain other documents as herein set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY:

Section 1. All actions not inconsistent with the provisions of this Resolution heretofore taken by the Board of Commissioners and the officers of the Authority and the efforts of the Authority directed toward the execution and delivery of the Authority Documents, the issuance and delivery of the Senior Note and the Subordinate Bonds and the refunding and defeasance of the Refunded Bonds shall be, and the same hereby are, ratified, approved and confirmed.

Section 2. The form, terms and provisions of the Authority Documents shall be and the same hereby are authorized and approved in substantially the forms presented to the Authority at this meeting, but with such changes therein as shall be consistent with this Resolution and as the Chair or any Vice Chair of the Authority shall approve, the execution thereof being deemed conclusive of the approval of any such changes. The Chair, any Vice Chair or the Executive Director of the Authority is hereby authorized to execute and deliver the Authority Documents for and on behalf of the Authority in substantially the forms presented at this meeting. Any Vice Chair, the Secretary or the Executive Director of the Authority not executing such documents is hereby authorized to affix the seal of the Authority to, and to attest, the Authority Documents in substantially the forms presented at this meeting.

Section 3. The form of the Preliminary Limited Offering Memorandum as presented to the Authority at this meeting, and the use and distribution thereof by the Underwriter in connection with the offering of the Subordinate Bonds, shall be and the same hereby are authorized, approved and ratified. The distribution of a final Limited Offering Memorandum in substantially the form of the Preliminary Limited Offering Memorandum, but with such changes therein from the Preliminary Limited Offering Memorandum as are deemed necessary or desirable, is hereby approved. The Chair, any Vice Chair or the Executive Director of the

Authority is hereby authorized to execute and deliver the final Limited Offering Memorandum for and on behalf of the Authority, with such changes therein from the form of Preliminary Limited Offering Memorandum presented at this meeting as shall be deemed necessary and desirable, the execution thereof being deemed conclusive of the approval of any such changes.

Section 4. The issuance of the Senior Note, in an aggregate principal amount not to exceed \$57,000,000, to the Senior Lender to evidence the obligations of the Authority with respect to the Senior Loan under the Senior Loan Agreement, bearing interest at the rates, maturing on the date or dates and in the amount or amounts, and otherwise having such features as provided in the Senior Loan Agreement, is hereby approved. The Chair, any Vice Chair or the Executive Director of the Authority is hereby authorized to execute the Senior Note, and the Vice Chair, the Secretary or the Executive Director of the Authority not executing the Senior Note is hereby authorized to attest the Senior Note, in substantially the form set forth in the Senior Loan Agreement, but with such changes therein as shall be deemed necessary and desirable, the execution thereof being deemed conclusive of the approval of any such changes. The seal of the Authority is hereby authorized and directed to be affixed to or imprinted on the Senior Note.

Pursuant to the Supplemental Act, the Board of Commissioners hereby delegates to the Executive Director of the Authority the authority to make the final determinations relating to the Senior Note, subject to the parameters set forth above.

Section 5. The issuance of the Subordinate Bonds, in an aggregate principal amount not to exceed \$7,500,000, is hereby approved. The Subordinate Bonds shall be issued as fully registered bonds in denominations of \$500,000 and integral multiples of \$1,000 in excess thereof, as more fully provided in the Subordinate Indenture. The Subordinate Bonds shall be dated the date of issuance thereof, shall bear interest at such rate or rates (not to exceed a maximum rate of 8% per annum) as provided in the Subordinate Indenture, with such interest to be payable on the dates provided in the Subordinate Indenture, shall mature on the date or dates and in the principal amounts provided in the Subordinate Indenture, but the final maturity shall be no later than December 31, 2030, and shall be subject to redemption as provided in the Subordinate Indenture. The Chair, any Vice Chair or the Executive Director of the Authority is hereby authorized to execute the Subordinate Bonds, and the Vice Chair, the Secretary or the Executive Director of the Authority not executing the Subordinate Bonds is hereby authorized to attest the Subordinate Bonds, in substantially the form set forth in the Subordinate Indenture, but with such changes therein as shall be deemed necessary and desirable, the execution thereof being deemed conclusive of the approval of any such changes. The seal of the Authority is hereby authorized and directed to be affixed to or imprinted on the Subordinate Bonds.

Pursuant to the Supplemental Act, the Board of Commissioners hereby delegates to the Executive Director of the Authority the authority to make the final determinations relating to the Subordinate Bonds, subject to the parameters set forth above.

Section 6. Pursuant to the Subordinate Bond Purchase Agreement, the Authority shall sell to the Underwriter all (but not less than all) of the Subordinate Bonds at a purchase price not less than 95% of the principal amount thereof (exclusive of underwriting discount), less the underwriting discount set forth in the Subordinate Bond Purchase Agreement.

Section 7. The transaction provided for in the Senior Swap Agreement is hereby approved; provided that the initial notional amount thereof shall be equal to the original aggregate principal amount of the Senior Loan, the floating rate payable to the Authority thereunder shall be substantially the same as the floating interest rate payable by the Authority on the Senior Loan, and the fixed rate payable by the Authority thereunder shall not exceed 2%.

Section 8. Section 11-57-204 of the Supplemental Act provides that a public entity such as the Authority may elect in an act of issuance (which this Resolution constitutes) to apply all or any of the provisions of the Supplemental Act. The Board of Commissioners hereby elects to be governed by all the provisions of the Supplemental Act with respect to the Senior Loan Agreement and Senior Note and with respect to the Subordinate Bonds. This election of powers shall be in addition to, and not a limitation upon, the powers of the Authority under the Act.

Section 9. Pursuant to Section 11-57-208 of the Supplemental Act, the Senior Pledged Revenue and the Senior Pledged Collateral (both as defined in the Senior Loan Agreement) pledged for the payment of the Senior Payment Obligations (as defined in the Senior Loan Agreement), as received by or otherwise credited to the Authority, shall immediately be subject to the lien of the Senior Financing Documents (as defined in the Senior Loan Agreement) without any physical delivery, filing, or further act. The lien of the Senior Financing Documents on the Senior Pledged Revenue and the Senior Pledged Collateral, and the obligation to perform the contractual provisions made in Senior Financing Documents, shall have priority over any or all other obligations and liabilities of the Authority payable from the Senior Pledged Revenue and the Senior Pledged Collateral, except as may be otherwise provided in the Act, the Supplemental Act and the Senior Financing Documents. The lien on the Senior Pledged Revenue and the Senior Pledged Collateral shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such persons have notice of such lien.

Section 10. Pursuant to Section 11-57-208 of the Supplemental Act, the Trust Estate (as defined in the Subordinate Indenture), including the Subordinate Pledged Revenue (as defined in the Subordinate Indenture) pledged for the payment of the Subordinate Bonds, as received by or otherwise credited to the Authority, shall immediately be subject to the lien of the Indenture without any physical delivery, filing, or further act. The lien of the Subordinate Indenture on the Trust Estate, including the Subordinate Pledged Revenue, and the obligation to perform the contractual provisions made in the Subordinate Indenture shall have priority over any or all other obligations and liabilities of the Authority payable from the Subordinate Pledged Revenue, except as may be otherwise provided in the Subordinate Indenture, the Senior Financing Documents, the Act and the Supplemental Act. The lien on the Trust Estate, including the Subordinate Pledged Revenue, shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such persons have notice of such lien.

Section 11. The officers of the Authority are authorized to take all other actions which they deem necessary or reasonably required in conformity with the Act or the Supplemental Act to accomplish the transactions contemplated by the Authority Documents, and for carrying out, giving effect to and consummating the transactions contemplated by this Resolution and the Authority Documents including, without limitation, the execution and delivery of any necessary

or appropriate closing and tax documents or other documents necessary or desirable in connection with the issuance, sale and delivery of the Senior Note and the Subordinate Bonds and the execution and delivery of the Authority Documents.

Section 12. 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.

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Adopted and approved this 20th day of July, 2016.

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By _____
Title _____

Attest:

By _____
Executive Director

Commissioner _____ moved that the foregoing resolution be adopted. Commissioner _____ seconded such motion and the same was put to a vote, the vote being as follows:

Those Voting Aye: Commissioner
 Commissioner
 Commissioner
 Commissioner
 Commissioner
 Commissioner

Those Voting Nay: Commissioner

Those Abstaining: Commissioner

Those Absent: Commissioner
 Commissioner

A majority of the Commissioners of the Colorado Springs Urban Renewal Authority having voted in favor of the motion, the presiding officer declared the motion carried and the resolution duly passed and adopted.

Thereupon, the Colorado Springs Urban Renewal Authority considered other matters not concerning the proposed bonds.

There being no further business to come before the Colorado Springs Urban Renewal Authority, the meeting was, on motion duly made, seconded and carried, adjourned.

STATE OF COLORADO)
COUNTY OF EL PASO) ss.
CITY OF COLORADO SPRINGS)

The undersigned, as the duly qualified and acting Executive Director of the Colorado Springs Urban Renewal Authority, does hereby certify that the foregoing pages numbered 1 to 9, inclusive, are a true, perfect and complete copy of the record of proceedings, insofar as such proceedings relate to the Resolution contained therein, of the Colorado Springs Urban Renewal Authority, had and taken at a lawful meeting of the Authority held on the 20th day of July, 2016, at the hour of __:00 a.m. at 107 North Nevada Avenue, Second Floor, as recorded in the regular official book of the proceedings of the Authority kept in my office, said proceedings were duly had and taken as therein shown, the meeting therein shown was duly held, and the persons therein named were present at said meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Colorado Springs Urban Renewal Authority this ____ day of July, 2016.

[SEAL]

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By _____
Executive Director