

GVR METROPOLITAN DISTRICT

RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GVR METROPOLITAN DISTRICT, IN THE CITY AND COUNTY OF DENVER, STATE OF COLORADO:

**Section 1. Definitions.** The terms defined in this section shall have the designated meanings for all purposes of this Resolution and of any amendatory or supplemental resolution, except where the context by clear implication requires otherwise.

- A. "Act" means Article 1 of Title 32, C.R.S.
- B. "Beneficial Owner" means any Person for which a Participant acquires an interest in the Bonds.
- C. "Board" means the Board of Directors of the District.
- D. "Bonds" means the District's General Obligation Refunding Bonds, Series 2009, in an aggregate principal amount not to exceed \$5,000,000.
- E. "Business Day" means a day on which banks located in the city in which the Principal Office of the Paying Agent are not required or authorized to be closed and on which the New York Stock Exchange is not closed and a day other than Saturday or Sunday.
- F. "City" means the City and County of Denver, Colorado.
- G. "Code" means the Internal Revenue Code of 1986, as amended, and as in effect on the date of delivery of the Bonds.
- H. "Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the District dated the date of issuance and delivery of the Bonds as it may be amended from time to time in accordance with the terms thereof.
- I. "Council" means the City Council of the City and County of Denver, Colorado.
- J. "C.R.S." means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.
- K. "Depository" means any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.
- L. "District" means the GVR Metropolitan District, in the City and County of Denver, Colorado.

M. “DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

N. “Escrow Account” means the account created and maintained under the Escrow Agreement for payment of the Refunded Bond Requirements.

O. “Escrow Agreement” means the Escrow Agreement between the District and the Escrow Bank.

P. “Escrow Bank” means Zions First National Bank, Denver, Colorado, acting as escrow agent pursuant to the Escrow Agreement, or any successor.

Q. “Federal Securities” means only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof (or an ownership interest in any of the foregoing).

R. “Official Statement” means the final Official Statement in substantially the form of the Preliminary Official Statement and dated as of its date.

S. “Outstanding” means, as of any date of calculation, all Bonds executed, issued and delivered by the District except:

(1) Bonds canceled by the District, Paying Agent, or Registrar or surrendered to the District or Registrar for cancellation;

(2) Bonds in lieu of, or in substitution for, which other Bonds shall have been executed, issued and delivered by the District and authenticated by the Registrar unless proof satisfactory to the Registrar is presented that any such Bonds are duly held by the lawful Registered Owners thereof; or

(3) Bonds deemed to have been paid within the meaning of Section 17 hereof.

T. “Owner” or “Registered Owner” means any Person who is the registered owner of any Bond as shown on the registration books kept by the Registrar.

U. “Participant” or “Participants” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

V. “Paying Agent” means Zions First National Bank, in Denver, Colorado, the paying agent for the Bonds or its successors or assigns.

W. “Person” means any natural person, firm, partnership, association, corporation, limited liability company, trust, public body, or other entity.

X. "Preliminary Official Statement" means the Preliminary Official Statement with respect to the Bonds.

Y. "President" means the Chair of the Board and President of the District.

Z. "Principal Office" means the principal operations office of the Registrar or the Paying Agent, as the case may be, as designated in writing by the District. The Principal Office of Zions First National Bank is currently 1001 Seventeenth Street, Suite 1050, Denver, Colorado.

AA. "Purchase Contract" means the Bond Purchase Agreement between the District and the Underwriter.

BB. "Record Date" means the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such interest payment date.

CC. "Redemption Date" means December 1, 2009.

DD. "Refunded Bond Requirements" means the payment of (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Bonds and on and before the Redemption Date; (ii) principal of the Refunded Bonds upon prior redemption on the Redemption Date; and (iii) any redemption premium.

EE. "Refunded Bonds" means all of the District's outstanding General Obligation Refunding Bonds, Series 1999, maturing on and after December 1, 2010.

FF. "Refunding Project" means: (a) the payment of the Refunded Bond Requirements; and (b) the payment of the costs of issuing the Bonds.

GG. "Registrar" means Zions First National Bank, in Denver, Colorado, the registrar and transfer agent for the Bonds or its successors or assigns.

HH. "Registrar Agreement" means the Registrar and Paying Agent Agreement between the District and the Registrar.

II. "Resolution" means this Resolution of the District which provides for the issuance and delivery of the Bonds.

JJ. "Sale Certificate" means a certificate executed by either the President or the Vice President dated on or before the date of delivery of the Bonds, setting forth (i) the aggregate principal amount of the Bonds; (ii) the rates of interest on the Bonds; (iii) the existence and amount of any capitalized interest; (iv) the conditions on which and the prices at which the Bonds may be called for redemption; (v) the price at which the Bonds will be sold; (vi) the

amount of principal of the Bonds maturing on each date; (vii) the first interest payment date for the Bonds; (viii) whether the Bonds shall be secured by a municipal bond insurance policy, and (ix) any other finding or determination authorized under the Supplemental Act, all subject to the parameters and restrictions contained in this Resolution.

KK. “SEC” means the Securities and Exchange Commission.

LL. “Secretary” means the Secretary of the District.

MM. “Special Record Date” means a special date fixed by the Registrar to determine the names and addresses of Registered Owners of the Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

NN. “State” means the State of Colorado.

OO. “Supplemental Act” means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes.

PP. “Term Bond” means Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

QQ. “Underwriter” means RBC Capital Markets, Denver, Colorado.

RR. “Vice President” means the Vice President of the District.

**Section 2. Recitals.**

A. The District is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a metropolitan district under the Constitution and laws of the State of Colorado, in particular the Act.

B. The members of the Board have been duly elected, chosen and qualified.

C. The District previously issued the Refunded Bonds.

D. The Refunded Bonds are subject to redemption prior to maturity at the option of the District on the Redemption Date, upon payment of the principal amount so redeemed plus accrued interest to the Redemption Date.

E. The District is not delinquent in the payment of any of the principal of or interest on the Refunded Bonds.

F. The Board has determined, and does hereby determine, that the interest of the District and the public interest and necessity require the refunding, paying and discharging of the Refunded Bonds, and the issuance of the Bonds for the Refunding Project pursuant to the Act.

G. Section 32-1-1302 of the Act authorizes the District to issue refunding bonds without an election to refund, pay, or discharge all or any part of its outstanding general obligation bonds for the purpose of reducing interest costs or effecting other economies.

H. Pursuant to Article X, Section 20(4) of the State Constitution, refunding bonds may be issued without an election if they are issued at a lower interest rate than the Refunded Bonds.

I. The Board has found and determined, and does hereby find and determine, that, provided that the Bonds are sold within the parameters and restrictions contained in Section 5 of this Resolution, the net effective interest rate on the Bonds will be less than the net effective interest rate on the Refunded Bonds.

J. The Board has determined, and does hereby determine, that the limitations of the Act imposed upon the issuance of refunding bonds have been met and that the Refunding Project serves a valid and governmental purpose and is necessary, expedient and in the best interests of the District and its taxpayers.

K. The creation of the indebtedness authorized by this Resolution will not cause the District to exceed the maximum general obligation indebtedness authorized by State law.

L. The Board has determined, and does hereby determine, that it is necessary and for the best interest of the District that the Bonds now be authorized for issuance and delivery, and the Board hereby determines to use the proceeds of the Bonds to effect the Refunding Project.

M. There are on file at the District offices the proposed forms of the following documents: (i) the Purchase Contract; (ii) the Registrar Agreement; (iii) the Escrow Agreement; (iv) the Preliminary Official Statement; and (v) the Continuing Disclosure Certificate.

**Section 3. Ratification.** All action not inconsistent with the provisions of this Resolution heretofore taken by the Board, the officers and agents of the District directed toward effecting the Refunding Project and the sale and issuance of the Bonds for such purposes be, and the same is hereby ratified, approved and confirmed.

**Section 4. Authorization and Delegation.**

A. In accordance with the Constitution and laws of the State and the provisions of this Resolution, and for the purpose of defraying the cost of the Refunding Project, the District hereby authorizes to be issued its "GVR Metropolitan District General Obligation

Refunding Bonds, Series 2009”, in the aggregate principal amount provided in the Sale Certificate, subject to the parameters and restrictions contained in this Resolution.

B. Section 11-57-204 of the Supplemental Act provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Either the President or the Vice President is hereby independently authorized and directed to execute and deliver the Sale Certificate and the Purchase Contract, to determine and approve the final determinations contained therein for the Bonds, subject to the parameters and restrictions of this Resolution, and to determine if obtaining municipal bond insurance is in the best interests of the District, and if so, to select a bond insurer to issue a municipal bond insurance policy, execute a commitment relating to the same and execute any related documents or agreements required by such commitment.

**Section 5. Bond Details.**

A. The Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest) initially registered in the name of Cede & Co. as nominee for DTC, as Depository for the Bonds. The Bonds shall be dated as of their date of delivery and shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond may be issued for more than one maturity and interest rate). The Bonds shall be numbered in such manner as the Registrar may determine.

B. The Bonds shall mature, be payable, bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable to the Registered Owners of the Bonds from their date to maturity or prior redemption, be subject to redemption, and be sold, all as provided in the Sale Certificate, provided that: (i) the aggregate principal amount of the Bonds shall not exceed \$5,000,000; (ii) the net effective interest rate on the Bonds shall not exceed 4.5%, which is less than the net effective interest rate on the Refunded Bonds; (iii) the Bonds shall mature no later than December 1, 2019; (iv) the first optional redemption date of the Bonds shall not be later than December 1, 2014; (v) the redemption price of the Bonds shall not exceed 103%; (vi) the purchase price of the Bonds shall not be less than 98.0% of the original principal amount of the Bonds (inclusive of original issue discount and the Underwriter’s discount); and (vii) the gross debt service savings on the Refunded Bonds shall be at least \$500,000.

Interest on the Bonds shall be payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

C. The principal of and premium, if any, on any Bond, shall be payable to the Registered Owner thereof as shown on the registration books kept by the Registrar, upon maturity or prior redemption of the Bonds, upon presentation and surrender at the Principal Office. If any Bond shall not be paid upon such presentation and surrender at maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full.

Payment of interest on any Bond shall be made to the Registered Owner thereof by check, draft or wire, sent by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Registered Owner thereof at his or her address as it last appears on the registration books kept by the Registrar on the Record Date; but, any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the Registered Owner thereof on the Record Date and shall be payable to the Person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration books on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Registered Owner of such Bond and the Paying Agent (provided, however, that the District shall not be required to make funds available to the Paying Agent prior to the dates specified in the Registrar Agreement). All such payments shall be made in lawful money of the United States of America, without deduction for services of the Registrar or Paying Agent.

**Section 6. Prior Redemption.**

A. The Bonds designated in the Sale Certificate will be subject to redemption at the option of the District from any legally available funds on the dates set forth in the Sale Certificate in whole, or in part from any maturities, in any order of maturity and by lot within a maturity and interest rate, in such manner as the District may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate, subject to the parameters and restrictions of this Resolution.

B. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times and in the amounts set forth in the Sale Certificate, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date. On or before the thirtieth day prior to each sinking fund payment date, the Registrar will proceed to call the Term Bonds (or any Term Bond or Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the District.

At its option, to be exercised on or before the sixtieth day next preceding each sinking fund redemption date, the District may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the District on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The District will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) above are to be availed with respect to such sinking fund payment. Failure of the District to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this Section.

C. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the

Registrar shall, without charge to the Owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

D. Notice of any redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to the Underwriter and to each Registered Owner of any Bond all or a portion of which is called for redemption at his or her address as it last appears on the registration books kept by the Registrar. Failure to give such notice by mailing to the Registered Owner of any Bond or to the Underwriter, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds. All official notices of redemption shall be dated and shall state:

- (1) CUSIP numbers of Bonds to be redeemed;
- (2) the redemption date;
- (3) the redemption price;
- (4) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds (and, in the case of partial redemption, the respective principal amounts and interest rate) to be redeemed;
- (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office or such other office as shall be designated by the Paying Agent.

Prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon

surrender for partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any depository holding the Bonds but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this Section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

**Section 7. Execution and Authentication.** The Bonds shall be executed in the name of and on behalf of the District and signed by the manual or facsimile signature of the President, sealed with a manual or facsimile impression of the seal of the District and attested by the manual or facsimile signature of the Secretary. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the District (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery of the Bonds, or before the issuance of the Bonds upon transfer or exchange, any or all of the Persons whose facsimile signatures appear on the Bonds shall have ceased to fill their respective offices. The President and Secretary may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds. At the time of the execution of the signature certificate, the President and Secretary may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly

