

BOARD OF DIRECTORS
PUEBLO CONSERVANCY DISTRICT

AMENDED RESOLUTION

WHEREAS, the Pueblo Conservancy District, Pueblo County, Colorado (the "District"), is a statutory entity duly organized and existing as a conservancy district under the constitution and laws of the State of Colorado, including particularly Title 37 of the Colorado Revised Statutes; and

WHEREAS, the members of the Board of Directors (the "Board") have been duly elected or appointed and qualified; and

WHEREAS, the District has heretofore determined and undertaken to acquire and develop and maintain certain properties and facilities for the levee (the "Levee"); and

WHEREAS, the District is authorized by Sec. 37-5-108, C.R.S., to issue Maintenance Fund negotiable evidence of debt, referenced generally in said statute as "warrants" but referenced herein as bonds, authorized by action of the Board without the approval of the electors of the District, such bonds to be issued in the manner provided in 37-5-107 and 37-5-108, C.R.S.; and

WHEREAS, the Board determined that it was in the best interests of the District, and the residents and taxpayers thereof, that certain maintenance and improvements be made to the Levee and that for such purpose the District issued, pursuant to a Resolution, dated August 23, 2017 (the "2017 Resolution"), Conservancy Maintenance Fund 2017 Series A Bonds in the total principal amount of \$10,000,000 (the "2017 Bonds"); and

WHEREAS, the Board was presented with a proposal, in the form of a Bond Purchase Agreement from Bank of the San Juans, a Division of Glacier Bank, (the "Purchaser"), to purchase the 2017 Bonds upon the terms and conditions set forth in the Bond Purchase Agreement (the "2017 Bond Purchase Agreement"); and

WHEREAS, after consideration, the Board determined that the sale of the 2017 Bonds to the Purchaser upon the terms and conditions set forth in the 2017 Bond Purchase Agreement was in the best interests of the District and the residents thereof; and

WHEREAS, the District has expended \$4,265,375.00 of 2017 Bond proceeds to the date hereof; and

WHEREAS on or about August 30, 2018, the District made the first payment of principal and interest required under the 2017 Bonds, which included a principal payment in the amount of \$465,346.77.

WHEREAS, the Board determined that it was in the best interests of the District, and the residents and taxpayers thereof, that the District's Conservancy Maintenance Fund Bonds, Series 2015 A originally outstanding in the principal amount of \$9,045,694.30 be currently refunded at a lower net effective interest rate, thus satisfying C.R.S. 11-56-104(1)(b), and further that certain maintenance and improvements be made to the Levee; and that for such purpose the District issued, pursuant to a Resolution, dated February 28, 2018 (the "2018 Resolution"), Refunding and Improvement Conservancy Maintenance Fund Bonds, Series 2018 A in the total principal amount of \$10,000,000 (the "2018 Bonds"); and

WHEREAS, the Board was presented with a proposal, in the form of a Bond Purchase Agreement from the Purchaser, to purchase the 2018 Bonds upon the terms and conditions set forth in the Bond Purchase Agreement (the "2018 Bond Purchase Agreement"); and

WHEREAS, after consideration, the Board determined that the sale of the 2018 Bonds to the Purchaser upon the terms and conditions set forth in the 2018 Bond Purchase Agreement was in the best interests of the District and the residents thereof; and

WHEREAS, the District has received a proposal from the Colorado Water Conservation Board (the "CWCB") for a loan of \$17,170,000 at an interest rate of 2.45% for 30 years to a) repair the Levee within the City of Pueblo (the "City") in order to bring the Levee up to Federal Emergency Management Agency standards to provide flood protection to the City; b) redeem all of the Series 2018 Bonds and c) redeem \$5 million of the Series 2017 Bonds, leaving \$5 million of the 2017 Bonds that remain outstanding; and

WHEREAS, the CWCB proposal contemplates that the loan will be secured by a lien on the Maintenance Fund Assessment, which shall be a parity obligation with equal priority to the 2017 Bonds; and

WHEREAS, on August 15, 2018, the Board passed a Resolution (attached as **Exhibit 1** hereto) to approve the CWCB proposal.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PUEBLO CONSERVANCY DISTRICT:

Section 1. Redemption of the 2018 Bonds. In accordance with Section

6 of the 2018 Resolution, the District hereby redeems the entire principal amount of the 2018 Bonds upon funding by CWCB..

Section 2. Partial Redemption of the 2017 Bonds. In accordance with Section 6 of the 2017 Resolution, the District hereby redeems \$3,800,028.30 of the 2017 Bonds upon funding by CWCB, and agrees not to draw more than \$5,000,000 of the 2017 Bonds hereafter. Furthermore, also in accordance with Section 6 of the 2017 Resolution, the principal and interest payments of \$537,500 set forth in Section 4 of the 2017 Resolution and the final payment of all accrued interest and outstanding principal shall remain the same in the years 2019 through 2025. The 2017 Resolution is hereby amended to provide for the changes set forth in this Section 2. All other provisions of the 2017 Resolution shall remain un-changed and in full force and effect.

Section 3. 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 Amended Resolution, relating to the authorization, sale issuance, and delivery of the 2018 Bonds and the 2017 Bonds, are hereby ratified, approved, and confirmed.

Section 4. Severability. If any section, paragraph, clause, or provisions of this Amended 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 Amended Resolution, the intent being that the same are severable.

Section 5. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 6. Consent. In accordance with Sections 15(f) and 19 of the 2017 Resolution and Section 19 of the 2018 Resolution, the Purchaser consents to this Amended Resolution.

IN TESTIMONY WHEREOF, the Board of Directors of Pueblo Conservancy District has caused this Amended Resolution to be adopted and approved as signed by the signature of the President of the District, sealed with the seal of the District, and attested by the signature of the Secretary thereof, all as of the 4th day of September, 2018.

**PUEBLO CONSERVANCY DISTRICT
PUEBLO COUNTY, COLORADO**

By: 

Donna Phillips, President

ATTESTED:

By: 

Roger O'Hara, Secretary

Bank of the San Juans hereby consents to the foregoing Amended Resolution on this 4th day of September, 2018.

BANK OF THE SAN JUANS

By: 

Title:

The motion to adopt the foregoing Amended Resolution was duly made by Director Barbara Bernard, seconded by Director Jerry Martin, put to a vote, and carried on the following recorded vote:

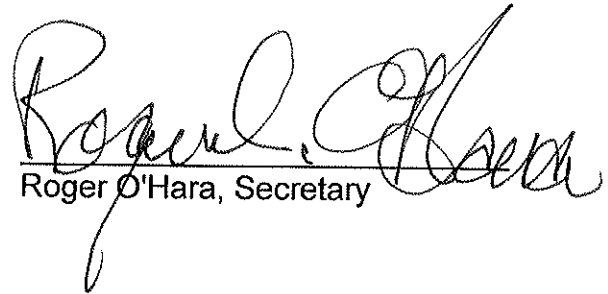
Those voting AYE: Paul Willumstad
Corinne Koehler
Ronald Serna
Jerry Martin
Donna Phillips
Barbara Bernard

Those absent: Matt Cordova
Roger O'Hara
Dennis Maroney

Those voting NAY: None

Thereupon the President, as Chairman of the meeting, declared the Amended Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and Resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.



Roger O'Hara, Secretary

(SEAL)

STATE OF COLORADO)
)
COUNTY OF PUEBLO) ss.
)
PUEBLO CONSERVANCY)
DISTRICT)

I, Roger O'Hara, Secretary of Pueblo Conservancy District, Pueblo County, Colorado, do hereby certify that the foregoing pages numbered 1 to 5, inclusive, constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District regarding the Amended Resolution relating to the District's Refunding and Improvement Conservancy Maintenance Fund Bonds, Series 2018A and the District's Conservancy Maintenance Fund Bonds, Series 2017 A, adopted at a special meeting of the Board held within the District at 201 W. "B" Street, in Pueblo County, Colorado, on this 4th day, of September, 2018 at the hour of 5:00 P.M., as recorded in the official record of proceedings of said District kept in the District's office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; and that a notice of meeting was posted at three public places within the District, and at the office of the Clerk and Recorder of Pueblo County, Colorado, at least twenty-four hours prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, this 4th day of September, 2018.


Roger O'Hara, Secretary

(SEAL)

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE PUEBLO CONSERVANCY DISTRICT

The Board of Directors of the Pueblo Conservancy District (hereinafter referred to as "District"), at a meeting held August 15, 2018, at Pueblo, Colorado, adopted the following resolutions concerning a secured loan from the State of Colorado Water Conservation Board (CWCB), for the purpose of the Arkansas River and Wildhorse Creek Levees in the amount not to exceed \$17,170,000.00 which includes the CWCB loan origination fee of 1% of the loan amount.

At said meeting, the Board charged that these resolutions are irrevocable during the term of the loan and, pursuant to the District's bylaws, authorized the President and Secretary, RESOLVED as follows:

1. to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount not to exceed \$17,170,000.00 as needed to finance the project costs, including the CWCB loan origination fee of 1%, and
2. to levy and collect maintenance fund assessment revenues in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge said revenues and the District's right to receive said revenues for repayment of the loan, and
3. to place said pledged revenues in a special account separate and apart from other District revenues, and
4. to make the annual payments required by the Promissory Note and to make annual deposits to a debt service reserve fund, and
5. to pledge the maintenance fund assessment revenues backed by a rate covenant and annual financial reporting as security for the loan, and
6. to execute all documents as required by the Loan Contract, including, but not limited to, a Promissory Note and Security Agreement, and
7. to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

CERTIFICATION

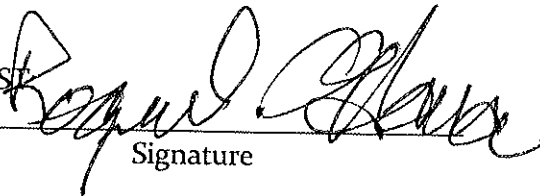
THE UNDERSIGNED, THE PRESIDENT AND THE SECRETARY HEREBY CERTIFY THAT THE FOREGOING ARE TRUE AND CORRECT COPIES OF RESOLUTIONS DULY ADOPTED AT A MEETING OF THE DISTRICT'S BOARD OF DIRECTORS DULY CALLED AND HELD AS ABOVE RECITED, PURSUANT TO THE DISTRICT'S BYLAWS, AND THAT SAID RESOLUTIONS HAVE NOT BEEN AMENDED OR RESCINDED.

GIVEN UNDER OUR HANDS AND THE SEAL OF THE DISTRICT THE 15TH DAY OF AUGUST, 2018.

(SEAL)

ATTEST

By


Signature

Name: Roger O'Hara
Title: Secretary

DATE: AUGUST 15, 2018

By


Signature

TITLE: DONNA PHILLIPS, President

DATE: August 15, 2018

