



MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT

BOARD OF DIRECTORS SPECIAL MEETING

1 JUNE 2020

The Board of Directors of Mount Vernon Country Club Metropolitan District held a telephonic Special Meeting on Monday, June 1, 2020 to review and consider approval of a "parameters" Resolution regarding refinancing of the District's debt, and for the purpose of calling an Executive Session to receive legal advice related to the potential sale, lease or other transfer of the District's interest in the Clubhouse/recreation facilities.

The meeting was called to order by president Tom Weimer at 9:00 a.m. Board Members Walter Crawford, Randy Lewis, Andrew Price and John Stringer were present. Also present were District Legal Counsel Allison Ulmer, General Manager John Stebbins, Sue Blair and Marcos Pacheco of CRS, Recording Secretary Gail McGowan, and Bill and Lee Hovey King.

Refinancing of the District's Debt

Negotiations with Vectra Bank regarding the District's refinancing of its existing debt are proceeding well. In order for the refinancing to move forward, the Board must approve the record of proceedings and "*Parameters*" Resolution approving the authorized parameters of the loan agreement per the election ballot authorization.

It was noted that the loan will consist of both taxable and tax-exempt pieces with two different interest rates.

Upon motion duly made by John Stringer, seconded, and unanimously affirmed by the Board Members present at the Special Meeting of the Board of Directors on June 1, 2020, THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT PASSED AND ADOPTED THE "*PARAMETERS*" RESOLUTION, AS PRESENTED, AND AS ATTACHED TO AND MADE PART OF THESE MINUTES.

An account will be opened with Vectra Bank, into which the property tax revenue received by the District and dedicated to the payment of the debt will be transferred periodically.

Bill and Lee Hovey King were excused from the meeting.

Adjournment to Executive Session

By motion duly made by Walter Crawford, seconded, and unanimously affirmed by the Board Members present at the Special meeting of the Board of Directors on JUNE 1, 2020, AN EXECUTIVE SESSION HAD BEEN CALLED PURSUANT TO C.R.S. STATUTE §24-6-402(4)(b) FOR CONFERENCE WITH THE DISTRICT'S ATTORNEY FOR THE PURPOSE OF RECEIVING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS RELATED TO THE POTENTIAL SALE, LEASE OR OTHER TRANSFER OF THE DISTRICT'S INTEREST IN THE CLUBHOUSE/RECREATION FACILITIES.

The Special Meeting of the Board of Directors was reconvened at 10:13 a.m. and, there being no further business to come before the Board, the meeting was adjourned at 10:15 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gail M. McGowan". The signature is written in a cursive style and is positioned above a horizontal line.

Gail M. McGowan, Secretary

RESOLUTION

WHEREAS, Mount Vernon Country Club Metropolitan District, Jefferson County, Colorado (the "District"), is a duly and regularly created, established, organized and existing metropolitan district, existing as such under and pursuant to the Constitution and laws of the State of Colorado; and

WHEREAS, the District has previously authorized and there are outstanding the following borrowings (the "Prior Obligations"):

- (1) Water Enterprise Note, Series 2013 (the "Water Note") issued in the original principal amount of \$400,000 and currently outstanding in the amount of \$260,000.01, which may be prepaid at any time without penalty;
- (2) Recreational Clubhouse Facility Enterprise Note, Series 2013A (the "Clubhouse Note") issued in the original principal amount of \$350,000 and currently outstanding in the amount of \$155,178.59, which may be prepaid at any time without penalty;
- (3) Lease Purchase Agreement dated as of December 28, 2011, with Colorado Business Bank, as lessor (the "Lease", and together with the Clubhouse Note, the "Clubhouse Obligations") in the original principal amount of \$2,035,000 and currently outstanding in the amount of \$1,092,77.84, which may be terminated on any date by exercising the option to purchase the Leased Property (as defined in the Lease) for the amount set forth in the Lease; and

WHEREAS, at an election of the qualified electors of the District duly called and held on Tuesday, May 5, 2020 (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 the following ballot question:

SHALL MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT DEBT BE INCREASED \$1,800,000, WITH A REPAYMENT COST OF \$3,700,000; AND SHALL DISTRICT TAXES BE INCREASED \$122,000 ANNUALLY, OR BY SUCH LESSER ANNUAL AMOUNT AS NECESSARY TO PAY SUCH DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER MULTIPLE-FISCAL YEAR OBLIGATIONS FOR THE PURPOSE OF REFUNDING ALL OR PART OF THE DISTRICT'S OUTSTANDING REVENUE DEBT AND LEASE-PURCHASE OBLIGATIONS AT LOWER INTEREST RATES; SUCH DEBT TO BE SOLD IN ONE OR MORE SERIES, FOR A PRICE AT, ABOVE OR BELOW PAR, ON SUCH TERMS AND CONDITIONS AS THE BOARD MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF A MAXIMUM PREMIUM OF 3%; SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE DISTRICT REVENUES, INCLUDING FROM A MILL LEVY IMPOSED ANNUALLY WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH DEBT?

; and

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

WHEREAS, the result of the Election was duly certified by the District by certified mail to the board of county commissioners of the county in which the District is located and with the division of securities created by C.R.S. § 11-51-701, within forty-five days after the Election; and

WHEREAS, Title 32, Article 1, Colorado Revised Statutes (the "Act" or the "Special District Act"), authorizes the District to borrow money and incur indebtedness and evidence the same by certificates, notes, debentures, or bonds; and

WHEREAS, the Board of Directors of the District (the "Board") has determined that it is in the best interests of the District that all of the outstanding Clubhouse Obligations be refunded and paid in full from the proceeds of the 2020A Loan (as hereinafter defined) and all of the outstanding Water Note be refunded and paid in full from the proceeds of the 2020B Loan (as hereinafter defined) and other available moneys of the District (collectively, the "Refunding Project"); and

WHEREAS Zions Bancorporation, N.A., dba Vectra Bank Colorado, a national banking association (the "Lender") has agreed, subject to the terms and conditions of a loan agreement (the "Loan Agreement") and the other Financing Documents (as defined in the Loan Agreement), to make a loan in an aggregate original principal amount not to exceed \$1,400,000 (the "2020A Loan") and to make a loan in an aggregate original principal amount not to exceed \$350,000 (the "2020B Loan" and together with the 2020A Loan, the "2020 Loans") to accomplish the Refunding Project; and

WHEREAS, the District has not previously issued any of the debt authorized at the Election; and

WHEREAS, the creation of the indebtedness authorized herein will not cause the District to exceed the maximum general obligation indebtedness authorized by Colorado law because the 2020 Loans are being obtained by the District from a "financial institution" or "institutional investor" and therefore the amount of the 2020 Loans will not be applied against the limit on general obligation indebtedness of the District imposed by C.R.S. § 32-1-1101(6)(a); and

WHEREAS, the 2020 Loans are being obtained by the District from, and the 2020 Notes (as defined in the Loan Agreement) are being issued by the District to, an "accredited investor" as defined under Sections 3(b) and (4)(2) of the federal Securities Act of 1933, as amended, by regulation adopted thereunder by the U.S. Securities and Exchange Commission, in a transaction not involving a public offering, and as such the 2020 Loans will be exempt from registration under the Colorado Municipal Bond Supervision Act constituting Title 11, Article 59, Part 1, Colorado Revised Statutes; and

WHEREAS, after consideration, the Board has determined that entering into the Loan Agreement with the Lender and related Financing Documents and implementing the Refunding Project is in the best interests of the District and the residents thereof; and

WHEREAS, there has been presented to this meeting of the Board the proposed forms of the Loan Agreement and the 2020 Notes (together with the Loan Agreement, the "Financing Documents"); and

WHEREAS, the Board desires to authorize the 2020 Loans and the execution and delivery of the Financing Documents; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (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.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and by the officers, agents or employees of the District directed toward the execution and delivery of the Financing Documents and the implementation of the Refunding Project is hereby ratified, approved, and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution and the laws of the State of Colorado, that the implementation of the Refunding Project and financing the respective costs thereof pursuant to the terms set forth in the Financing Documents, together with other available moneys of the District, are in the best interests of the inhabitants of the District, and the Board hereby authorizes and approves the same.

Section 3. Supplemental Act; Parameters. 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 Supplemental Act to the 2020 Loans and the Financing Documents and in connection therewith hereby delegates to the President and each member of the Board the authority to independently make any determination delegable pursuant to Section 11-57-205(1)(a-i) of the Supplemental Act, in relation to the 2020 Loans and the Financing Documents, including without limitation the amount of each of the 2020 Loans and the interest rates thereon, and to execute a Sale Certificate setting forth such determinations, without any requirement that the Board approve such determinations, subject to the following parameters and restrictions:

- (a) the principal amount of the 2020 Loans shall not exceed \$1,400,000 for the 2020A Loan and \$350,000 for the 2020B Loan; and
- (b) the taxable fixed rate on the 2020A Loan shall not exceed 4.5%;
- (c) the tax-exempt fixed rate on the 2020B Loan shall not exceed 3.6%;
- (d) the interest rates on each of the 2020 Loans shall be such that each of the 2020 Loans bears interest at a net effective interest rate which does not exceed 6.0%, which is the amount authorized at the Election; and

(e) the total repayment cost under the Financing Documents and the maximum annual repayment costs under the Financing Documents shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Election.

The delegation set forth in this Section 3 shall be effective for one year following the date of adoption of this Resolution.

Section 4. Approvals, Authorizations, and Amendments. In accordance with the Constitution of the State of Colorado; the Supplemental Act; the Act; the Election; and all other laws of the State of Colorado thereunto enabling, the District is hereby authorized to enter into the Financing Documents and execute and deliver the 2020 Notes for the purpose of: (i) paying the costs of the Refunding Project; and (ii) paying issuance and other costs in connection with the 2020 Loans and the transactions contemplated by this Resolution and the Loan Agreement.

The 2020 Loans constitute a general obligation indebtedness of the District.

The Board hereby authorizes the execution and delivery of the Financing Documents and the implementation of the Refunding Project in accordance therewith. 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 substantially the form of such documents presented at this meeting, provided that such Financing Documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and to comply with the terms of the Sale Certificate. The President or Vice President and the Secretary or an Assistant Secretary are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable in order to secure the 2020 Loans and to implement the Refunding Project.

Upon execution and delivery 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.

Section 5. Authorization to Execute Collateral Documents. The members of the Board and the officers and employees of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the District any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and to comply with the terms of the Sale Certificate. The execution of any document or instrument by the aforementioned officers or members of the Board shall be conclusive evidence of the approval by the District of such document or instrument in accordance with the terms hereof and thereof.

Section 6. Exercise of Option; Notice of Defeasance and Refunding. Upon the execution and delivery of the Financing Documents and the funding of the 2020 Loans by the Lender, the District hereby irrevocably exercises its option to refund, pay and defease all of the Prior Obligations.

Section 7. Additional Deposits. If, for any reason, the funds on hand from the 2020 Loans shall be insufficient to make the payment of the principal of and accrued interest on the Prior Obligations, as the same shall be due and payable, the District shall forthwith contribute additional legally available funds as may be required fully to meet the amount due and payable on the Prior Obligations.

Section 8. Resolution Irrepealable. After the 2020 Loans have been funded this Resolution shall constitute a contract between the Lender, or any subsequent owner of the 2020 Loans, and the District, and shall be and remain irrepealable until the 2020 Loans and the interest accruing thereon, and any premium due in connection therewith, shall have been fully paid, satisfied and discharged, as herein and therein provided.

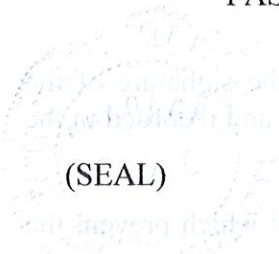
Section 9. Repealer. All acts, orders, bylaws and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 10. 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 11. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

PASSED, ADOPTED AND APPROVED this June 1, 2020.

(SEAL)


R. Thomas Kleimer

Chairman of the Board of
Directors and President

ATTEST:

Sail M. Denny McSorran
Secretary

STATE OF COLORADO)
)
 COUNTY OF JEFFERSON) SS.
)
 MOUNT VERNON COUNTRY CLUB)
 METROPOLITAN DISTRICT)

I, Gail McGowan, the duly qualified and acting Secretary of the Board of Directors (the "Board") of Mount Vernon Country Club Metropolitan District, Jefferson County, Colorado, do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board at a meeting of the Board held on June 1, 2020.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the meeting of June 1, 2020 by an affirmative vote of a majority of the members of the Board as follows:

<u>Name</u>	<u>"Yes"</u>	<u>"No"</u>	<u>Absent</u>	<u>Abstain</u>
R. Thomas Weimer	x			
Walter Crawford	x			
C. Randel Lewis	x			
Andrew Price	x			
John Stringer	x			

3. The members of the Board were present at such meeting, constituted a quorum and voted on the passage of the Resolution as set forth above.


4. The Resolution was approved and authenticated by the signature of the President of the Board, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which prevent the immediate adoption of the Resolution set forth in the foregoing proceedings.

6. Attached hereto as Exhibit A is a copy of the notice of the special meeting on June 1, 2020, which notice was posted on the District's website, not less than twenty-four (24) hours prior to the meeting in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District,
this June 1, 2020.

(SEAL)



Secretary
Mount Vernon Country Club Metropolitan
District
Jefferson County, Colorado

APPENDIX A
ATTACH NOTICE OF MEETING

**NOTICE OF TELEPHONIC SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT**

Monday, June 1, 2020

NOTICE IS HEREBY GIVEN that the Board of Directors of the MOUNT VERNON COUNTRY CLUB METROPOLITAN DISTRICT, of the County of Jefferson, State of Colorado, will hold a telephonic meeting at 9:00 a.m. on Monday, June 1, 2020, for the purpose of entering into Executive Session pursuant to §24-6-402(4)(b), C.R.S. for conferences with the District's attorney for the purpose of receiving legal advice regarding the potential sale, lease or other transfer of the District's interest in the Clubhouse/recreation facilities. In addition, at said meeting the Board intends to make a final determination to issue general obligation indebtedness in an amount not to exceed \$1,800,000 to refund outstanding financial obligations of the District.

Topic: MVCC MD Special Meeting

Time: June 1, 2020 09:00 AM Mountain Daylight Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/98927315272>

Meeting ID: 989 2731 5272

One tap mobile

+16699009128,,98927315272# US (San Jose)

+12532158782,,98927315272# US (Tacoma)

Dial by your location

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

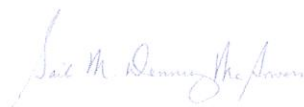
+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 989 2731 5272

Find your local number: <https://zoom.us/u/acFUplJUIW>

BY ORDER OF MOUNT VERNON COUNTRY CLUB
METROPOLITAN DISTRICT



By: _____
Gail M. McGowan, Secretary