

RESOLUTION NO. 15-[]

A RESOLUTION CONCERNING THE TOWN OF CASTLE ROCK GOLF COURSE ACTIVITY ENTERPRISE AND GOLF COURSE REVENUE REFUNDING BONDS SERIES 2015, OF SAID ENTERPRISE, AUTHORIZING AND DIRECTING ACTIONS BY THE TOWN MANAGER WITH RESPECT TO THE PREPARATION OF REQUESTS TO THE COUNCIL FOR APPROPRIATION OF FUNDS FOR THE REPLENISHMENT OF THE RESERVE FUND PERTAINING THERETO.

WHEREAS, the Town Council (the “Town Council”) of the Town of Castle Rock, Colorado (the “Town”), By Ordinance No. 96-55 (the “Enterprise Ordinance”), created the Town of Castle Rock Golf Course Activity Enterprise (the “Golf Enterprise” or the “Enterprise”); and

WHEREAS, pursuant to Ordinance No. 2015-40 (the “Bond Ordinance”), the Town, on behalf of the Enterprise, is issuing its Golf Course Enterprise Revenue Refunding Bonds, Series 2015, in the aggregate principal amount of not to exceed \$5,500,000 (the “Bonds”) for the purpose of refunding its Golf Course Enterprise Revenue Refunding Bonds, Series 2005 (the “Refunding Project”); and

WHEREAS, pursuant to a Loan Agreement (the “Loan Agreement”) between the Town and the Enterprise, the Town will agree, subject to conditions specified in the Loan Agreement, to loan funds to the Enterprise if required by the Bond Ordinance; and

WHEREAS, there will be created under the Bond Ordinance a reserve fund (the “Reserve Fund”) which will be funded in the amount of the Reserve Fund Requirement (as defined in the Bond Ordinance), and is required to be maintained at such amount to be used as a reserve against deficiencies in the payment of principal of or interest on the Bonds and in certain other payments; and

WHEREAS, the Bond Ordinance contemplates that if, on December 15 of any year, up to and including the Moral Obligation Release Date and after any Moral Obligation Commencement Date (as provided in the Bond Ordinance), the funds available in the Reserve Fund are less than the Reserve Fund Requirement, the Finance Director shall so notify the Town Manager, who shall request that the Town advance sufficient funds to restore the Reserve Fund to the Reserve Fund Requirement; and

WHEREAS, the Council wishes to make a non-binding statement of its present intent with respect to the appropriation of funds for the replenishment of the Reserve Fund and to authorize and direct the Town Manager to take certain actions for the purpose of causing requests for such appropriations to be presented to the Town Council for consideration; and

WHEREAS, the form of the Loan Agreement is on file with the Town Clerk.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:

Section 1. Approval of the Loan Agreement. The Council hereby approves the execution and delivery of the Loan Agreement, in substantially the form as on file with the Town, with such changes as hereafter may be approved by the Town Manager or the Finance Director.

Section 2. Appropriations to Replenish Reserve Fund. The Town Manager shall, upon notice from the Finance Director on any December 15 before the Moral Obligation Release Date or 11 months after the Moral Obligation Commencement Date as provided in the Bond Ordinance, that the Reserve Fund is funded at less than the Reserve Fund Requirement, prepare and submit to the Town Council a request for an appropriation of a sufficient amount to replenish the Reserve Fund to the Reserve Fund Requirement. It is the present intention and expectation of the Town Council to appropriate such funds as requested, within the limits of available funds and revenues, but this declaration of intent shall not be binding upon the Town Council or any future Town Council in any future fiscal year. The Town Council may determine in its sole discretion, but shall never be required, to make the appropriations so requested. All sums appropriated by the Town Council for such purpose shall be deposited by the Enterprise in the Reserve Fund. Nothing provided in this Section 2 shall create or constitute a debt, liability or multiple fiscal year financial obligation of the Town.

Section 3 Repayment of Amounts Appropriated. In the event that the Town Council appropriates funds as contemplated by Section 2 hereof, any amounts actually advanced shall be treated as an additional obligation under the Loan Agreement and shall be repaid by the Enterprise, with interest thereon, but shall be payable from and secured solely by the Net Revenues of the Enterprise, as provided in the Loan Agreement, on a basis expressly subordinate and junior to that of the Bonds and any obligations secured on a parity with the Bonds as set forth in the Bond Ordinance.

Section 4 Limitation to Bonds and Other Obligations Originally Secured by Bond Ordinance. Unless otherwise expressly provided by a subsequent resolution of the Town Council, the provisions of this Resolution shall apply only to the Reserve Fund originally established in connection with the Bonds and the obligations secured on a parity with the Bonds, and shall not apply to any other additional obligations issued under the Bond Ordinance.

Section 5 General Repealer. All prior resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 6. Ratification. All action not inconsistent with the provisions of this Resolution heretofore taken by the City Council and the officers of the City directed toward effecting the purposes set forth herein are, and the same is hereby ratified, approved and confirmed.

Section 7 Effectiveness. This Resolution shall take effect immediately upon its passage.

RESOLVED AND PASSED this 6th day of October, 2015.

TOWN OF CASTLE ROCK, COLORADO

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney