

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 3 HELD JANUARY 7, 2020

A special meeting of the Board of Directors of the Spring Valley Metropolitan District No. 3 (referred to hereafter as the "District") was convened on Tuesday, the 7th day of January, 2020, at 11:00 A.M., at Colorado Escrow & Title, 10851 South Crossroads Dr., Suite B, Parker, Colorado, 80134. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Holly D. Robinson
Christopher ("CJ") Kirst

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the absence of Director S. Marshall was excused.

Also In Attendance Were:

Lisa Johnson; Special District Management Services, Inc. ("SDMS")

Joy Tatton; Simmons & Wheeler, P.C. (via speakerphone for a portion of the meeting)

Ethan Anderson, Esq.; Ballard Spahr LLP (via speakerphone for a portion of the meeting)

Brooke Hutchens; D.A. Davidson & Co. (via speakerphone for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Johnson noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted that Disclosure Statements have been filed for all directors. No additional conflicts were disclosed.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed, for the Board's review and approval, a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries to conduct this meeting, the meeting would be held at the above-stated time, date and location, which location is within 20 miles of the District's boundaries. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxing electors within the District's boundaries.

CAPITAL IMPROVEMENTS

Cost Verification Report from Schedio Group: The Board discussed the Cost Verification Report from Schedio Group for Public Improvements funded by or caused to be funded by Running Creek Investments, LLC and considered acceptance of the report.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board acknowledged and accepted the Cost Verification Report from Schedio Group for Public Improvements funded by or caused to be funded by Running Creek Investments, LLC.

LEGAL MATTERS

There were no legal matters for discussion at this time.

FINANCIAL MATTERS

2020 Budget Amendment Hearing: The Board opened the public hearing to consider amending the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

RECORD OF PROCEEDINGS

Following review and discussion, the Board considered the adoption of Resolution No. 2020-01-01 to Amend 2020 Budget. Upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-01-01 to Amend the 2020 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

District's Proposed Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A, and Subordinate Limited Tax General Obligation Bonds, Series 2019B (3): Attorney Anderson discussed with the Board the District's proposed Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A, and Subordinate Limited Tax General Obligation Bonds, Series 2019B (3), in a combined principal amount not to exceed \$7,500,000.

Resolution Amending a Resolution Authorizing the Issuance of the Proposed Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A, and Subordinate Limited Tax General Obligation Bonds, Series 2019B (3) in a Combined Principal Amount not to Exceed \$7,500,000: Ms. Hutchens discussed with the Board a Resolution Amending a Resolution Authorizing the Issuance of the proposed Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A, and Subordinate Limited Tax General Obligation Bonds, Series 2019B (3), in a combined principal amount not to exceed \$7,500,000.00.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board adopted a Resolution Amending a Resolution Authorizing the Issuance of the proposed Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A, and Subordinate Limited Tax General Obligation Bonds, Series 2019B (3), in a combined principal amount not to exceed \$7,500,000.00. It was noted that the maximum rate for the senior General Obligation Bonds, Series 2019A is 5.5%, and for the Subordinate General Obligation Bonds, Series 2019 B (3) it is 8.5 %.

OTHER BUSINESS

December 20, 2019 Continued Meeting: It was noted that the Board determined that the scheduled Continued December 20, 2019 meeting was not necessary.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 

Secretary for the Meeting

AMENDMENT TO 2020 BUDGET
SPRING VALLEY METROPOLITAN DISTRICT NO. 3

WHEREAS, the Board of Directors of the Spring Valley Metropolitan District No. 3 adopted a budget and appropriated funds for the fiscal year 2020 as follows:

General Fund:	\$	50,000
Debt Service Fund	\$	371,023
Capital Projects Funds	\$	-0-

WHEREAS, the necessity has arisen for additional expenditures in the Debit Service Fund and Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2020; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Debit Service Fund from a transfer from the Capital Projects Fund.

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from Bond Proceeds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Spring Valley Metropolitan District No. 3 shall and hereby does amend the adopted Budget for the fiscal year 2020 and adopts a supplemental budget and appropriation for the Debit Service Fund and Capital Projects Fund for the fiscal year 2020, as follows:

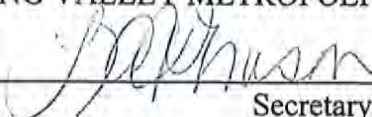
Debit Service Fund	\$	380,217
Capital Projects Fund:	\$	7,500,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 7th day of January, 2020.

SPRING VALLEY METROPOLITAN DISTRICT NO. 3

By: _____


Secretary

Spring Valley Metropolitan District No. 3
 Amended Budget
 Debt Service Fund
 For the Year ended December 31, 2020

	Adopted Budget <u>2020</u>	Amended Budget <u>2020</u>
Beginning fund balance	\$ 600,000	\$ -
Revenues:		
Property taxes	7,237	7,237
Specific ownership taxes	1,086	1,086
Facility fees (3,950) (18 for 2020)	71,100	71,100
Tap fees (16,200) (18 for 2020)	291,600	291,600
Transfer from Capital Projects	-	805,750
Total revenues	<u>371,023</u>	<u>1,176,773</u>
Total funds available	<u>971,023</u>	<u>1,176,773</u>
Expenditures:		
Bond principal - Series 2020A	-	-
Bond interest Series 2020A	365,806	375,000
Bond principal - Series 2020B	-	-
Bond interest Series 2020B	-	-
Paying agent fees	5,000	5,000
Treasurer fees	217	217
Total expenditures	<u>371,023</u>	<u>380,217</u>
Ending fund balance	<u>\$ 600,000</u>	<u>\$ 796,556</u>
Assessed Valuation	<u>\$ 130,020</u>	<u>\$ 130,020</u>
Mill Levy	<u>55.664</u>	<u>55.664</u>
Total	<u>66.796</u>	<u>66.796</u>

Spring Valley Metropolitan District No. 3
 Amended Budget
 Capital Projects Fund
 For the Year ended December 31, 2020

	Adopted Budget <u>2020</u>	Amended Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -
Revenues:		
Developer advances	-	-
Bond proceeds	-	7,500,000
Interest income	-	-
	<u>-</u>	<u>-</u>
Total revenues	-	7,500,000
	<u>-</u>	<u>7,500,000</u>
Total funds available	-	7,500,000
	<u>-</u>	<u>7,500,000</u>
Expenditures:		
Issuance costs	-	675,000
Legal	-	-
Accounting	-	-
Management	-	-
Miscellaneous	-	-
Transfer to debt service	-	805,750
Capital improvements/Transfer to #1	-	6,019,250
	<u>-</u>	<u>6,019,250</u>
Total expenditures	-	7,500,000
	<u>-</u>	<u>7,500,000</u>
Ending fund balance	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>