

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 WATER AND SEWER ACTIVITY ENTERPRISE HELD NOVEMBER 21, 2019

A special meeting of the Board of Directors of the Spring Valley Metropolitan District No. 1 (referred to hereafter as the "District") and the Board of Directors of the Spring Valley Metropolitan District No. 1 Water and Sewer Activity Enterprise (referred to hereafter as the "Enterprise", referred to hereafter collectively as the "Board"), was convened on Thursday, the 21<sup>st</sup> day of November, 2019, at 1:00 P.M., at Colorado Escrow and Title, 10851 South Crossroads Dr., Suite B, Parker, Colorado. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

James E. Marshall  
Scott Marshall  
Christopher ("CJ") Kirst

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

#### Also In Attendance Were:

Ann Finn; Special District Management Services, Inc. ("SDMS")

Christopher Brummitt, Esq.; McGeady Becher P.C.

Joy Tatton; Simmons & Wheeler PC (for a portion of the meeting)

Brooke Hutchens; D.A. Davidson (via speakerphone)

Kim Reed; Ballard Spahr, LLP (via speakerphone)

#### 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.

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Ms. Finn 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 the statute. Attorney Brummitt noted that Disclosure Statements have been filed for all directors.

### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Finn 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 Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried the Agenda was approved, as amended.

**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 Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District boundaries to conduct this meeting, the meeting would be conducted at the above-stated time, date and location. 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 taxpaying electors within its boundaries.

### CAPITAL IMPROVEMENT MATTERS

**Cost Verification Report from Schedio Group on Public Improvements Funded by or caused to be Funded by Running Creek Investments LLC:** The Board acknowledged receipt of Cost Verification Report from Schedio Group on Public Improvements funded by or caused to be funded by Running Creek Investments LLC and discussed acceptance of the same.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board acknowledged receipt of the Cost Verification Report from Schedio Group.

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**Agreement of Acknowledgement of Satisfaction of Obligations of District No. 2 Related to the Funding of Construction of Public Improvements and Acknowledgement of Ongoing Obligations of District Nos. 1, 3, and 4 Related to the Funding of Construction of Public Improvements between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4:** The Board discussed an Agreement of Acknowledgement of Satisfaction of Obligations of District No. 2 related to the Funding of Construction of Public Improvements and Acknowledgement of Ongoing Obligations of District Nos. 1, 3, and 4 related to the Funding of Construction of Public Improvements between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the Agreement of Acknowledgement of Satisfaction of Obligations of District No. 2 related to the Funding of Construction of Public Improvements and Acknowledgement of Ongoing Obligations of District Nos. 1, 3, and 4 related to the Funding of Construction of Public Improvements between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4.

**Service Agreement with Cesare, Inc. for Pavement Assessment Services:** The Board discussed a Service Agreement with Cesare, Inc. for Pavement Assessment Services.

Following discussion, upon motion duly made by Director Kirst, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the Service Agreement with Cesare, Inc. for Pavement Assessment Services.

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### **LEGAL MATTERS**

**First Amended and Restated Facilities Funding Construction and Operations Agreement between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4 (“FFCO”):** The Board discussed a First Amended and Restated FFCO Agreement between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board approved the First Amended and Restated FFCO Agreement between Spring Valley Metropolitan District Nos. 1, 2, 3, and 4.

**Acknowledgement of Termination of District No. 2 MG Land Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.:** The Board acknowledged Termination of District No. 2 MG Land Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.

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Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged Termination of District No. 2 MG Land Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.

**Outstanding Reimbursement Obligation and Infrastructure Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 3, Spring Valley Metropolitan District No. 4, and MG Land Investments, L.L.C.:** The Board discussed an Outstanding Reimbursement Obligation and Infrastructure Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 3, Spring Valley Metropolitan District No. 4, and MG Land Investments, L.L.C.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board approved the Outstanding Reimbursement Obligation and Infrastructure Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 3, Spring Valley Metropolitan District No. 4, and MG Land Investments, L.L.C.

**Acknowledgement of Operation Funding Advance Reimbursement Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.:** The Board acknowledged an Operation Funding Advance Reimbursement Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged approval of the Operation Funding Advance Reimbursement Agreement between Spring Valley Metropolitan District No. 2 and MG Land Investments, L.L.C.

**First Amended and Restated Primary Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1 and MG Land Investments, L.L.C.:** The Board discussed a First Amended and Restated Primary Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1 and MG Land Investments, L.L.C.

Following discussion, upon motion duly made by Director Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the First Amended and Restated Primary Facilities Funding and Acquisition Agreement between Spring Valley Metropolitan District No. 1 and MG Land Investments, L.L.C.

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**Acknowledgement of 2019-2023 Operation Funding Agreement between Spring Valley Metropolitan District No. 3 and MG Land Investments, L.L.C.:** The Board acknowledged a 2019-2023 Operation Funding Agreement between Spring Valley Metropolitan District No. 3 and MG Land Investments, L.L.C.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged approval of the 2019-2023 Operation Funding Agreement between Spring Valley Metropolitan District No. 3 and MG Land Investments, L.L.C.

**Resolution No. 2019-08-02; Joint Resolution of Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 3 Authorizing Collection of Tap Fees for Repayment of Bonds:** The Board reviewed Resolution No. 2019-08-02; Joint Resolution of Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 3 Authorizing Collection of Tap Fees for Repayment of Bonds.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board ratified adoption of Resolution No. 2019-08-02; Joint Resolution of Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 3 Authorizing Collection of Tap Fees for Repayment of Bonds.

**Resolution No. 2019-11-02; Resolution of Spring Valley Metropolitan District No. 1 to Confirm Schedule of Fees and Charges and, Without Changing Total Fees Due, Designating in Spring Valley Metropolitan District No. 3 the Capital Component of the Tap Fees to \$16,200.00 and the Operation and Maintenance Component of the Tap Fee to be \$0:** The Board discussed Resolution No. 2019-11-02; Resolution of Spring Valley Metropolitan District No. 1 to Confirm Schedule of Fees and Charges and, Without Changing Total Fees Due, Designating in Spring Valley Metropolitan District No. 3 the Capital Component of the Tap Fees to \$16,200.00 and the Operation and Maintenance Component of the Tap Fee to be \$0.

Following discussion, upon motion duly made by Director Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-02; Resolution of Spring Valley Metropolitan District No. 1 to Confirm Schedule of Fees and Charges and, Without Changing Total Fees Due, Designating in Spring Valley Metropolitan District No. 3 the Capital Component of the Tap Fees to \$16,200.00 and the Operation and Maintenance Component of the Tap Fee to be \$0.

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**Resolution No. 2019-11-03; Regarding the Amendment of the District's Rules and Regulations Concerning Design Standards:** The Board discussed Resolution No. 2019-11-03; Regarding the Amendment of the District's Rules and Regulations Concerning Design Standards.

Following discussion, upon motion duly made by Director Kirst, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-03; Regarding the Amendment of the District's Rules and Regulations Concerning Design Standards.

**Engagement of Alderman Bernstein (Jody Harper Alderman) as Special Counsel for Eminent Domain Services:** The Board discussed an engagement of Alderman Bernstein (Jody Harper Alderman) as Special Counsel for Eminent Domain Services.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board approved the engagement of Alderman Bernstein (Jody Harper Alderman) as Special Counsel for Eminent Domain Services, subject to final review of the engagement letter, if necessary.

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### **OTHER BUSINESS**

There was no other business at this time.

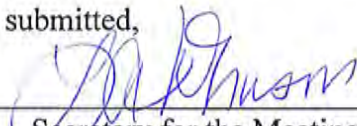
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### **ADJOURNMENT**

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

RESOLUTION NO. 2019-11- 03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY  
METROPOLITAN DISTRICT NO. 1 REGARDING THE AMENDMENT OF THE  
DISTRICT'S RULES AND REGULATIONS

1. The Spring Valley Metropolitan District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado located in the County of Elbert County, Colorado.

2. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has adopted rules and regulations (the "Rules and Regulations"); and

3. The District expressly reserved the right to make any lawful addition and/or revisions in the Rules and Regulations; and

4. The District has determined that it is necessary to amend the Rules and Regulations and the attached Design Standards included therewith; and replaces said Rules with those set forth in Exhibit A attached here and incorporated by reference and replaces said Design Standards with those set forth in Exhibit B attached hereto and incorporated by reference.

NOW, THEREFORE, LET IT BE RESOLVED by the Board of Directors of Spring Valley Metropolitan District No. 1 as follows:

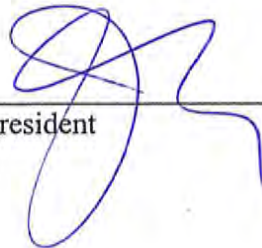
1. Effective November 21, 2019, the existing Rules and Regulations and Design Standards shall be deleted and replaced in their entirety with the revised Rules and Regulations attached hereto as Exhibit A and incorporated by reference, and the revised Design Standards attached hereto as Exhibit B and incorporated by reference.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2019-11- 03]

APPROVED AND ADOPTED this 21<sup>st</sup> day of November 2019.

**SPRING VALLEY METROPOLITAN  
DISTRICT NO. 1**

By:  \_\_\_\_\_  
President

Attest:

 \_\_\_\_\_  
Secretary or Assistant Secretary



**EXHIBIT A**

**RULES AND REGULATIONS OF SPRING VALLEY METROPOLITAN DISTRICT  
NO. 1**