

RESOLUTION NO. 2021-10-05

**JOINT RESOLUTION OF
SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND
SPRING VALLEY METROPOLITAN DISTRICT NO. 6
AUTHORIZING COLLECTION OF CAPITAL COMPONENT OF TAP FEES FOR
REPAYMENT OF BONDS**

A. Each of Spring Valley Metropolitan District No. 1 (“**District No. 1**”) and Spring Valley Metropolitan District No. 6 (“**District No. 6**”) (collectively, the “**Districts**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in Elbert County, State of Colorado; and

B. The Districts, together with Spring Valley Metropolitan District No. 2 (“**District No. 2**”), Spring Valley Metropolitan District No. 3 (“**District No. 3**”), Spring Valley Metropolitan District No. 4 (“**District No. 4**”) and Spring Valley Metropolitan District No. 5 (“**District No. 5**”), to provide public improvements and services (collectively, “**Public Improvements**”) to serve the Spring Valley Development (the “**Development**”); and

C. The Districts and District Nos. 2-5 entered into that certain Second Amended and Restated Facilities Funding, Construction and Operations Agreement dated as of October 21, 2021 (as may be amended from time to time, the “**FFCOA**”), which, *inter alia*, sets forth the parties’ agreement that District No. 1 will provide for the design, acquisition, construction, installation, financing, operation and maintenance of certain Public Improvements, including water, sanitation, storm and sanitary sewer, and road improvements that will benefit and serve property within District Nos. 1-6 and each of District Nos. 2-6 will issue bonds to finance its respective share of such Public Improvements; and

D. Because the boundaries of District No. 6, described in the legal description attached hereto as **Exhibit A-1**, are within the Service Area of District No. 1, described in the legal description attached hereto as **Exhibit A-2**, property within District No. 6 is subject to the Rules and Regulations and Design Standards established by District No. 1 as adopted on January 19, 2006, as the same has been and may in the future be amended (the “**Rules and Regulations**”); and

E. The Districts are authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S., to fix fees, rates and charges as appropriate and necessary to enable the Districts to pay expenses incurred in the provision of Public Improvements; and

F. Pursuant to the Rules and Regulations, District No. 1 has established a Schedule of Fees and Charges (“**Schedule**”) applicable to property within its Service Area, which Schedule imposes a System Development Fee (herein, “**Tap Fee**”) comprised of a Capital Component and an O&M Component; and

G. As authorized by and in accordance with its Service Plan and the FFCOA, District No. 6 intends to issue bonds (the “**District No. 6 Bonds**”) to finance, in part, Public Improvements that benefit property within its boundaries; and

H. Concurrently with the adoption of this Joint Resolution, the Districts intend to adopt Joint Resolution No. 2021-10-__ Confirming Schedule of Fees and Charges and, Without Changing Total Fees Due, Designating in Spring Valley Metropolitan District No. 6 the Capital Component of the Tap Fee to \$16,200 and the O&M Component of the Tap Fee to be \$0 (“**October 2021 Fee Resolution**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND SPRING VALLEY METROPOLITAN DISTRICT NO. 6, ELBERT COUNTY, COLORADO:

1. The Board of Directors of District No. 6 hereby finds, determines and declares that it is in the best interests of District No. 6, its inhabitants and taxpayers to exercise its power by imposing and collecting the Capital Component of the Tap Fee on property within its boundaries at the rate of \$16,200 per lot as set forth in the October 2021 Fee Resolution, which be pledged by District No. 6 to the payment of the District No. 6 Bonds. The Capital Component shall be payable to District No. 6 at the time a building permit is issued to a lot owner by the County.

2. District No. 1 hereby determines not to reduce the rate of, nor take any other action that would adversely effect, the amount of revenues derived from the Capital Component of the Tap Fee pledged to the payment of the District No. 6 Bonds without the prior written consent of District No. 6. The Districts acknowledge and agree that nothing in this Joint Resolution shall be deemed or interpreted as restricting the Districts from increasing the rate of the Capital Component and/or the O&M Component of the Tap Fee applicable to property in District No. 6 from time to time and that the revenues derived from such rate increase(s) will not be pledged to secure payment of the District 6 Bonds and may utilized for other purposes as determined by the Districts.

3. The Board of Directors of District No. 1 hereby finds and determines that notwithstanding the Rules and Regulations and the October 2021 Fee Resolution, the Capital Component of the Tap Fee payable with respect to District 6 Property shall be payable to District No. 6, and the payment by a lot owner to District No. 6 of such Capital Component of the Tap Fee fully satisfies the lot owner’s obligations for payment of the Capital Component of the Tap Fees under the Rules and Regulations and generally entitles the lot owner to the services of District No. 1 to be provided in connection therewith under the Rules and Regulations; provided, however, that District No. 1 reserves the right to impose and collect the Tap Fee as necessary in accordance with the following paragraph, and the lien established by the Rules and Regulations and the October 2021 Fee Resolution with respect thereto shall not be deemed waived or released for any lot until the full payment of the applicable the Tap Fee due with respect to such lot.

4. In the event that any portion of this Joint Resolution is determined to be unenforceable, or a lot owner fails to pay to District No. 6 the Capital Component of the Tap Fee when due, District No. 1 shall continue to have the authority to collect the Tap Fee, and District No. 1 hereby agrees for the benefit of District No. 6 and the owners of the District No. 6 Bonds, to collect and remit the Capital Component for the Tap Fee to District No. 6 for application to payment on the Bonds. The foregoing shall constitute a contractual obligation of District No. 1

made for the benefit of District No. 6, in exchange for the funding by District No. 6 of certain Public Improvements through the issuance of the District No. 6 Bonds and may be amended or waived only with the consent of District No. 6.

5. Any unpaid Tap Fee when due shall constitute a statutory and perpetual lien against the applicable real property pursuant to Section 32-1-1001(1)(j)(I), C.R.S., such lien being a charge imposed for the provision of the services and facilities to the property within District No. 6. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the property and shall run with the land.

6. This Joint Resolution shall take effect immediately upon its adoption and approval.

[SIGNATURE PAGE TO FOLLOW]

[SIGNATURE PAGE TO RESOLUTION NO. 2021-10-04 JOINT RESOLUTION OF
SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND SPRING VALLEY
METROPOLITAN DISTRICT NO. 6 AUTHORIZING COLLECTION OF FEES FOR
REPAYMENT OF BONDS]

SPRING VALLEY METROPOLITAN
DISTRICT NO. 1

By: Jim Marshall
President

Attest:

By: 
Secretary

SPRING VALLEY METROPOLITAN
DISTRICT NO. 6

By: Jim Marshall
President

Attest:

By: 
Secretary

EXHIBIT A-1

Legal Description
Spring Valley Metropolitan District No. 6 Boundaries

EXHIBIT A-2

Legal Description
Spring Valley Metropolitan District No. 1
Service Area

A PARCEL OF LAND BEING THE NORTHERLY 560.00 FEET OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL OF LAND CONTAINING 61.322 ACRES, MORE OR LESS.

TOGETHER WITH

A PARCEL OF LAND BEING SECTION 32 AND 33 OF TOWNSHIP 6 SOUTH AND THE W1/2 OF SECTION 4, TOWNSHIP 7 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 33, A 3-1/4"

ALUMINUM CAP L.S.#10377 IN PLACE, THE POINT OF BEGINNING; THENCE

N 89°52'37" W ALONG THE SOUTHERLY LINE OF SAID SECTION 33 A DISTANCE OF 2619.44 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 33, ALSO BEING

THE NORTH QUARTER CORNER OF SECTION 4, A 2" ALUMINUM CAP L.S. #23032 IN PLACE; THENCE LEA YING SAID SOUTHERLY LINE S 00°34'31" W ALONG THE

NORTH-SOUTH CENTERLINE OF SAID SECTION 4 A DISTANCE OF 5212.97 FEET TO

THE SOUTH QUARTER CORNER OF SAID SECTION 4, A 3-1/4" ALUMINUM CAP L.S.

#10377 IN PLACE; THENCE N 89°59'14" W ALONG THE SOUTHERLY LINE OF SAID SECTION 4 A DISTANCE OF 2598.61 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 4, A 2-1/2" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE N 00°25'06" E

ALONG THE WESTERLY LINE OF SAID SECTION 4 A DISTANCE OF 2635.25 FEET TO

THE WEST QUARTER CORNER OF SAID SECTION 4, A 3-1/4" ALUMINUM CAP L.S.

#10377 IN PLACE; THENCE CONTINUING ALONG SAID WESTERLY LINE

N 00°16'16" EA DISTANCE OF 2582.64 FEET TO THE NORTHWEST CORNER OF SAID SECTION 4, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #10377 IN PLACE; THENCE N 89°37'37" W ALONG THE SOUTHERLY LINE OF SAID SECTION 32 A DISTANCE OF 2653.62 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S.

#6935 IN PLACE; THENCE CONTINUING ALONG SAID SOUTHERLY LINE .

N 89°38'02" WA DISTANCE OF 2653.71 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE N 00°36'02" E ALONG THE WESTERLY LINE OF SAID SECTION 32 A DISTANCE OF 2640.65 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE WESTERLY LINE OF SAID SECTION 32 N 00°34'12" EA DISTANCE OF 2651.85 FEET TO THE NORTHWEST CORNER OF SAID SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE S 89°35'41" E ALONG THE NORTHERLY LINE OF SAID SECTION 32 A DISTANCE OF 2648.37 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG SAID NORTHERLY LINE S 89°36'48" EA DISTANCE OF 2650.24 FEET TO THE NORTHEAST CORNER OF SAID SECTION 32, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S 89°36'42" E ALONG THE NORTHERLY LINE OF SECTION 33 A DISTANCE OF 2634.04 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 33 S 89°37'14" EA DISTANCE OF 2635.58 FEET TO THE NORTHEAST CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE S 00°49'33" W ALONG THE EASTERLY LINE OF SAID SECTION 33 A DISTANCE OF 2633.18 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 33, A 2-1/2" ALUMINUM CAP L.S. #7361 IN PLACE; THENCE CONTINUING ALONG THE EASTERLY LINE OF SAID SECTION 33 S 00°49'31" WA DISTANCE OF 2633.20 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING A GROSS ACREAGE OF 1592.880 ACRES, MORE OR LESS.

EXCEPTING FROM THE ABOVE DESCRIBED PARCEL THE SPRING VALLEY GOLF COURSE, AS SHOWN IN RECEPTION NO. 353734 OF THE ELBERT COUNTY CLERK AND RECORDER'S OFFICE; RESULTING IN A NET ACREAGE OF 527.705 ACRES LYING WESTERLY OF SAID GOLF COURSE AND 838.395 ACRES LYING EASTERLY OF SAID GOLF COURSE.

TOGETHER WITH

A PARCEL OF LAND BEING SECTION 30, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 30, A 3-1/4" ALUMINUM CAP L.S. NO. 6935 IN PLACE, THE POINT OF BEGINNING; THENCE S 89°57'46" W ALONG THE SOUTHERLY LINE OF SAID SECTION 30 A DISTANCE OF 2543.67 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG THE SOUTHERLY LINE OF SAID SECTION 30 S 89°57'54" WA DISTANCE OF 2222.09 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE N 00°38'15" E ALONG THE WESTERLY LINE OF SAID SECTION 30 A

DISTANCE OF 2655.30 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE CONTINUING ALONG THE WESTERLY LINE OF SAID SECTION 30 N 00°38'23" EA DISTANCE OF 2655.19 FEET TO THE NORTHWEST CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE S 89°58'52" E ALONG THE NORTHERLY LINE OF SAID SECTION 30 A DISTANCE OF 2225.83 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 30, A 2-1/2" ALUMINUM CAP L.S. #29052 IN PLACE; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID SECTION 30 S 89°58'43" EA DISTANCE OF 2544.02 FEET TO THE NORTHEAST CORNER OF SAID SECTION 30, A 1-1/2" ALUMINUM CAP FOUND IN PLACE AND REPLACED WITH A 3-1/4" ALUMINUM CAP L.S. #19598; THENCE S 00°36'20" W ALONG THE EASTERLY LINE OF SAID SECTION 30 A DISTANCE OF 2652.90 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 30, A 3-1/4" ALUMINUM CAP L.S. #6935 IN PLACE; THENCE CONTINUING ALONG THE EASTERLY LINE OF SAID SECTION 30 S 00°45'41" WA DISTANCE OF 2652.96 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 581.187 ACRES, MORE OR LESS.

EXCEPTING FROM THE ABOVE DESCRIBED PROPERTY THE NORTHERLY 560.00 FEET THEREOF; SAID EXCEPTED PARCEL CONTAINING 61.322 ACRES, MORE OR LESS, RESULTING IN A NET ACREAGE OF 519.865 ACRES, MORE OR LESS

TOGETHER WITH

A PARCEL OF LAND BEING THE SW1/4SE1/4 AND THE S1/2SE1/4SE1/4 OF SECTION 31, TOWNSHIP 6 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF ELBERT, STATE OF COLORADO; SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE, THE POINT OF BEGINNING; THENCE

N 89°55'54" W ALONG THE SOUTHERLY LINE OF SAID SECTION 31 A DISTANCE OF 2567.23 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE; THENCE LEA YING SAID SOUTHERLY LINE N 00°50'18" E ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 31 A DISTANCE OF 1320.65 FEET TO THE SOUTH-CENTER SIXTEENTH CORNER OF SAID SECTION 31, A 2-1/2" ALUMINUM CAP L.S. # 6935 IN PLACE; THENCE S 89°55'33" E ALONG THE NORTHERLY LINE OF THE SW1/4SE1/4 OF SAID SECTION 31 A DISTANCE OF 1280.88 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SAID SECTION 31, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 00°43'10" W ALONG THE EASTERLY LINE OF SAID SW1/4SE1/4 A DISTANCE OF 660.24 FEET TO THE CENTER-SOUTH-SOUTHEAST SIXTYFORTH CORNER OF SAID SECTION 31, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 89°55'44" E ALONG THE NORTHERLY LINE OF THE S1/2SE1/4SE1/4 OF SAID SECTION 31 A DISTANCE OF 1282.25 FEET TO THE SOUTH-SOUTH SIXTYFORTH CORNER OF SECTION 31 AND

SECTION 32, A 3-1/4" ALUMINUM CAP L.S. #19598 IN PLACE; THENCE S 00°36'02" W ALONG THE EASTERLY LINE OF SAID SECTION 31 A DISTANCE OF 660.16 FEET TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 58.312 ACRES, MORE OR LESS.