

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 5 HELD MAY 16, 2024

A Special Meeting of the Board of Directors (the “Board”) of the Spring Valley Metropolitan District No. 5 (the “District”) was convened on Thursday, May 16, 2024, at 4:00 p.m. by Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors Present:

James E. Marshall
Holly D. Robinson

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

Also Present:

AJ Beckman; Public Alliance, LLC

Suzanne Meintzer, Esq., Eric Trout, Esq., and Craig Sorensen; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

CJ Kirst; Tahoe Consulting, LLC

Wayne Ramey, Mike Murphy and Dan Wolf; Ramey Environmental Compliance, Inc.

Leigh Lutz; Spring Valley Metropolitan District Nos. 1, 2, 3, 4 and 6

PUBLIC COMMENTS

There were no public comments.

ADMINISTRATIVE MATTERS

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.

Mr. Beckman 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

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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 Meintzer noted that Disclosure Statements have been filed for all directors. No additional conflicts were disclosed.

Agenda: Mr. Beckman 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 Robinson and, upon vote, unanimously carried, the agenda was approved.

Meeting Location and Posting of Meeting Notices: The Board entered into discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the Board meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board determined the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location was duly posted and that no objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries, have been received.

Board Vacancies: Attorney Meintzer informed the Board that the statutory waiting period following publication of the Notice of Vacancies will expire on May 19, 2024.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board directed staff to take the necessary steps to qualify Leigh Lutz to serve on the Board and to appoint him at the June 20, 2024 meeting.

CONSENT AGENDA The Board considered the following actions:

- Approval of Minutes of the April 18, 2024 Special Meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved, ratified approval of, adopted, or acknowledged (as appropriate) the Consent Agenda items.

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FINANCIAL MATTERS

Cost Verification Report No. 52: The Board reviewed Cost Verification Report No. 52 dated May 13, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$14,201,354.52 (“Report No. 52).

The Board noted certain revisions were required to Report No. 52, but agreed that the \$1,205,014.00 verified as reimbursable to LGI Homes – Colorado, LLC (“LGI”) under the Step-In Rights Agreement between District No. 1 and LGI, and the \$205,012.03 verified for payment of District No. 1’s capital costs, were correct. Following discussion, the Board deferred the acknowledgement of Report No. 52.

Unaudited Financial Statements: Mr. Weaver reviewed with the Board the unaudited financial statements, dated March 31, 2024.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated March 31, 2024.

2024 Budget Hearing: The President opened the public hearing to consider the proposed 2024 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 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 or at this public hearing. No public comments were received, and the public hearing was closed.

Mr. Weaver reviewed the proposed 2024 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2024-05-01 to Adopt the 2024 Budget and Appropriate Sums of Money. Upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Resolution was adopted, as discussed. Mr. Beckman was authorized to transmit the Certification of Budget to the Division of Local Government.

LEGAL MATTERS

Public Hearing to Consider Exclusion of Approximately 2.524 Acres of Property Owned by Spring Valley Land Investments, LLC: President J. Marshall opened the public hearing to consider the exclusion of approximately 2.524 acres of property owned by Spring Valley Land Investments, LLC.

It was noted that publication of Notice stating that the Board would consider the exclusion of the property and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written

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

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the exclusion of the property, and adopted Resolution No. 2024-05-02, Resolution for Exclusion of Real Property.

Second Amended and Restated Service Plan: Attorney Meintzer provided an update on the status of review of the Second Amended and Restated Service Plan by Elbert County.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

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

Respectfully submitted,

By _____
DocuSigned by:
AJ Beckman
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Secretary for the Meeting