

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

CRYSTAL VALLEY METROPOLITAN DISTRICT
NO. 2 & CRYSTAL VALLEY METROPOLITAN
DISTRICT NO. 2 SUB DISTRICT

Held: Friday July 8th, 2022 at 3:00 P.M. at 100 S Wilcox Street,
Castle Rock, CO 80104 and via Zoom Teleconference

Attendance

The joint meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Linda Sweetman
Jerry Biesboer
Carl Smith
Brian Bates
Sheri Maxim

Also present was Kristen D. Bear, Esq. and Audrey G. Johnson, Esq., White Bear Ankele Tanaka & Waldron, District General Counsel; Jennifer P. Brooks and Anastasia G. Khokryakova, Ballard Spahr; Tom Wynne, Trung Luc, and Ryan Poulsen, Wells Fargo; and Jonathan Heroux, Piper Sandler.

Call to Order/Director
Qualification

It was noted that a quorum of the Boards was present and that the directors had confirmed their qualifications to serve, and therefore, called the meeting to order.

Director Disclosures

Ms. Bear advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Bear reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Bear noted that a quorum was present and inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards

determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Joint Meetings

The Boards of Directors of the District and the Sub District have determined to hold joint meetings and to prepare joint minutes of action taken in such meetings. Unless otherwise noted, all official action reflected in these minutes is the action of the District and the Sub District. Where necessary, action taken individually by the District or the Sub District will be so reflected in these minutes. In accordance with Section 32-1-1101(1)(f)(III), C.R.S., the District Board constitutes the ex officio Board of Directors of the Sub District.

Approval of Agenda

Ms. Bear presented the proposed agenda to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the agenda as amended.

Public Comment

None.

Consideration of Increase in Fees by Ballard Spahr for Bond Counsel and Disclosure Counsel Services

The Board engaged in a general discussion. Following discussion, upon motion duly made and seconded, the Board authorized to pay Ballard Spahr an additional \$15,000.

Legal Matters

Approval of Minutes from May 13, 2022

The Boards reviewed Minutes from May 13, 2022. Following discussion, upon motion duly made and seconded, the Boards approved the minutes subject to final review by Director Bates and Director Maxim for final comments.

Approval of Minutes from March 24, 2022

The Boards reviewed Minutes from March 24, 2022. Following discussion, upon motion duly made and seconded, the Boards approved the minutes subject to final review by Director Bates and Director Maxim for final comments.

Approval of Minutes from December 8, 2021

The Boards reviewed Minutes from December 8, 2021. Following discussion, upon motion duly made and seconded, the Boards approved the minutes subject to final review by Director Bates and Director Maxim for final comments.

Approval of Minutes from November 10, 2021

The Boards reviewed Minutes from November 10, 2021. Following discussion, upon motion duly made and seconded, the Boards approved the minutes subject to final review by

Director Bates and Director Maxim for final comments.

Discussion of Reserve
Amounts held in Debt Service
Fund - District

The Board engaged in a general discussion regarding the options presented in Director Sweetman's memo related to the reserve amounts held in the Debt Service Fund. The Board discussed the general complexities associated with offering a rebate amount to homeowners. Mr. Wynne from Wells Fargo provided a general update on the bond tender option which would involve reducing the overall debt amount and interest rate for the reduced bonds. The Board also discussed the County Assessor's recommendation to provide debit and credit mills for purposes of reconciling the reserve amounts. A general discussion of the costs associated with each option also occurred.

The Board directed legal counsel and consultants to pursue further information about the mill levy credits to further understand the process and potential impact to the allocation of mill levies for the Subdistrict bonds.

Bond Matters - Sub District

Mr. Wynn discussed the schedule with the Board. It was noted that the posting is anticipated week of July 18. The pricing is estimated for the first week of August with closing two weeks after pricing.

Consider Adoption of
Resolution Approving the
Crystal Valley Metropolitan
District No. 2 Sub District
Bonds

Ms. Brooks presented the Resolution for authorization of Sub District Bonds and provided an overview on the scope of the bonds and source of pledged revenues.

Consider the adoption of
Resolution authorizing the
issuance of the Sub District's
Limited Tax General
Obligation Bonds, Series 2022
(the "Bonds") in a maximum
aggregate principal amount
anticipated not to exceed
\$3,600,000; approving,
ratifying, and confirming the
execution of certain related
agreements and documents;
making determinations and
findings as to other matters
related to such financing

The Board reviewed the resolution regarding approvals as to the Indenture, Escrow Agreement with the Town, Bond Purchase Agreement, and Continuing Disclosure Agreement. It was noted that Director Sweetman, Director Bates and Director Smith were designated as the sale delegates. It was noted the resolution includes parameters for the Bonds and the Board engaged in a general discussion of the same. The Bonds are required to be discharged at December 1, 2060. The Sub District representatives consist of the President or Treasurer of the District. Following discussion, upon motion duly made and seconded, the Board adopted the resolution.

transactions; authorizing incidental action; and repealing prior inconsistent actions

Bond Matters – District No. 2

Consider Adoption of Resolution Approving Intergovernmental Agreement Regarding Sub District Bonds Pledged Revenues

The Board reviewed the resolution regarding Intergovernmental Agreement on Pledged Revenues and the Amended and Restated Master Intergovernmental Agreement with the Town.

Consider the adoption of Resolution authorizing the approval of an Intergovernmental Agreement Regarding Sub District Bonds Pledged Revenues between the Sub District and District No. 2; authorizing incidental action; and repealing prior inconsistent actions

The Board reviewed the Resolution authorizing the approval of an Intergovernmental Agreement Regarding Sub District Bonds Pledged Revenues between the Sub District and District No. 2; authorizing incidental action; and repealing prior inconsistent actions. It was noted that the District No. 2 will sign both the tax certification and the Form 8038 tax filing on behalf of the Sub District. Following discussion, upon motion duly made and seconded, the Board adopted the resolution unanimously.

Financial Matters

2021 Audit and 2021 Year end Financials

The Board reviewed the 2021 audit and year end financials. Following discussion, the Board accepted the audit and financials subject to auditor review. It was noted that the audit in process will likely be finalized by August or September.

Discussion of Possible Bond Tender in Connection with the 2020 Bonds

The Board engaged in a general discussion regarding possible bond tender in connection with the 2020 Bonds. It was noted that this process would likely cost less than \$200,000. No action was taken by the Board.

Consideration of Bids for Accounting Services

The Board authorized termination of Simmons and Wheeler effective as of date of audit being finalized and filed with the State auditor.

The Board authorized the District President and Treasurer to pursue further discussions with Pinnacle Consulting and Centennial Consulting and to engage the recommended group effective as of August 1-15, 2022.

Discussion of Treasurer
Concerns

No action was taken by the Board.

Other Business

None

Adjourn

There being no further business to come before the Boards, and upon a motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Brian Bates

[Brian Bates \(Jul 27, 2022 15:11 MDT\)](#)

Secretary for the Meeting

The foregoing minutes were approved on the 8th day of July 2022.