

## CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

405 Urban Street, Suite 310

Lakewood, Colorado 80228

Tel: 720-213-6621

<https://crowfootmd1-2.colorado.gov>

### NOTICE OF SPECIAL MEETING AND AGENDA

NOTICE IS HEREBY GIVEN that a special meeting of the Board of Directors (the “**Board**”) of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”), located in Douglas County, Colorado, will be held on October 9, 2024, at 3:00 p.m. at 3625 Macanta Boulevard, Castle Rock, Colorado 80108 and via videoconference. Any member of the public may attend in person or by computer or phone by accessing the Zoom details below. At this meeting the Board will take up regular business of the District, make a final determination to issue general obligation indebtedness, and any other matters as may come before the Board.

NOTICE IS FURTHER GIVEN THAT, at this meeting, the Board intends to make a final determination to issue and refund general obligation indebtedness. Specifically, the Board will consider adoption of a resolution authorizing the District to issue its Limited Tax General Obligation Refunding Bonds, Series 2024A, in an original principal amount not to exceed \$54,000,000 (the “**2024A Bonds**”) and its Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B, in an original principal amount not to exceed \$24,500,000 (the “**2024B Bond**” collectively with the 2024A Bonds, the “**Bonds**”), for the purpose of refunding its existing general obligation indebtedness. It is anticipated that the resolution will approve forms of indentures of trust, an escrow agreement, a bond purchase agreement, a continuing disclosure agreement, and such other agreements and documents as may be necessary or appropriate in connection with issuance of the Bonds and authorize the execution and delivery thereof and performance by the District thereunder.

Pursuant to the Supplemental Public Securities Act, (i) no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or incurrence of the Bonds may be commenced more than 30 days after the authorization of such Bonds pursuant to the aforementioned resolution, (ii) one or more members of the Board may participate in this meeting and may vote on the foregoing matters through the use of a conference telephone or other telecommunications device, and (iii) at least one person will be physically present at the physical meeting location designated in this notice.

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Chad Murphy	President	2025/May 2025
Richard Cross	Treasurer	2027/May 2027
Sean Logue	Assistant Secretary	2027/May 2027
Christopher Crawford	Director	2025/May 2025
Eric Hammesfahr	Assistant Secretary	2025/May 2025
Ann E. Finn	Secretary	

DATE: October 9, 2024 (Wednesday)

TIME: 3:00 p.m.

PLACE:

**Zoom Meeting:**

<https://zoom.us/j/7848826891>

Meeting ID: 784 882 6891

Passcode: 0000

Dial-In: (719) 359-4580

**Physical Location:**

The Spoke at Macanta

3625 Macanta Boulevard

Castle Rock, Colorado 80108

I. ADMINISTRATIVE MATTERS

A. Disclosure of Potential Conflicts of Interest.

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B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

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II. PUBLIC COMMENTS

A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

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III. FINANCIAL MATTERS

A. Presentations from Piper Sandler and Stifel, Nicolaus & Company regarding the District issuing the Bonds for the purpose of refunding its existing general obligation indebtedness (enclosures).

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B. Discuss and consider engagement of Ballard Spahr, LLP as Bond Counsel (enclosure).

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C. Discuss and consider engagement of Piper Sandler as Underwriter (enclosure).

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D. Discuss and consider engagement of Stifel, Nicolaus & Company as External Financial Advisor (enclosure).

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E. Discuss and consider engagement of King & Associates, Inc. for preparation of a Market Study (enclosure).

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- F. Discuss and consider approval of a Resolution authorizing the District to issue Limited Tax General Obligation Refunding Bonds, Series 2024A, in an original principal amount not to exceed \$54,000,000, and Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B, in an original principal amount not to exceed \$24,500,000, for the purpose of refunding its existing general obligation indebtedness; approving forms of indentures of trust, an escrow agreement, a bond purchase agreement, a continuing disclosure agreement, and such other agreements and documents as may be necessary or appropriate in connection with issuance of the Bonds and authorizing the execution and delivery thereof and performance by the District thereunder (enclosure).
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IV. LEGAL MATTERS

- A. \_\_\_\_\_

V. OTHER BUSINESS

- A. \_\_\_\_\_

VI. ADJOURNMENT **THE NEXT REGULAR MEETING WILL BE HELD AT 1:00 P.M. ON DECEMBER 2, 2024 ~ BUDGET HEARING**

## **MEMO: Consideration of Bond Refinancing for Crowfoot Valley Ranch Metropolitan District No. 2**

Date: October 2, 2024  
To: Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2  
From: Luke Lofman, Macanta Neighbor  
Subject: Potential Bond Refinancing Consideration

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The Crowfoot Valley Ranch Metropolitan District No. 2 (the "District") is currently evaluating the potential refinancing of its outstanding bonds. This decision has significant implications for the financial future of the District and its residents.

### **COMPARING THE ORIGINAL AND CURRENT PROPOSAL**

The latest proposal, dated September 26, 2024, from Piper Sandler offers improved terms compared to what was initially presented by Piper Sandler to the neighborhood during the District meeting on August 21, 2024. In summary, the net present value savings between the two proposals is \$3.39M (the companion memo from Stifel summarizes the details further.) Additionally, the maturity year of the refunded bonds has been reduced by three years in this current proposal, whereas the original proposal extended it by one year. While no one can predict the future of interest rates, it is important to acknowledge as an example that the delay in timing between the August and September proposals provided additional value to the District and taking immediate action on a proposal is not always the best choice.

### **REASONS TO WAIT ON THE REFUNDING PLAN**

While there are rationales for considering refinancing now in 2024, there are several areas of concern that warrant a cautious approach:

**METRO DISTRICT BOARD RECALL** - Three out of the five board members of the District are currently facing a recall. If the current board proceeds with a bond refinancing decision while the recall is underway, it could be viewed unfavorably.

**PREPAYMENT PENALTY** - The current proposal includes significant prepayment penalties. The initial penalty stands at \$736,700, but it decreases to approximately \$350,000 after one year and drops further to around \$33,000 after the second year. This progressive reduction suggests it may be more financially prudent to delay refinancing and minimize prepayment penalties.

**5-YEAR REFINANCING LOCKOUT AND THE RESET OF PREPAYMENT PENALTIES** - If choosing to refinance the bonds now in 2024, a newly elected board will not have the flexibility to refinance bonds until December 2029 when the debt becomes callable. Furthermore, the District would be subject to a prepayment penalty of approximately \$1.8M for the following year. Unlike a home mortgage, where refinancing is often possible as interest rates drop, bond financing typically imposes restrictions or heavy penalties, limiting the District's flexibility to take advantage of future potential lower rates if the Board chooses to refinance now.

**NO COMPETITIVE ANALYSIS** - Based on responses from Stifel and Piper Sandler, the District has only engaged Piper Sandler to price the bond refinancing. It would be prudent to explore proposals from at least one additional independent firm for comparison. This would ensure that the terms of the refinancing and the fees proposed by the investment bank are competitive.

### **NEIGHBOR RECOMMENDATION**

*While the potential 2024 bond refinancing offers some benefits, it is essential to carefully consider the timing, penalties, and lack of competitive analysis of the current refunding plan. Given the ongoing board recall and the long-term financial commitments involved, delaying the decision until a more thorough review can be conducted and additional bids obtained may ultimately serve the best interests of the District and its residents.*

To: Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2  
From: Stifel  
Date: October 4, 2024  
Subject: Potential Bond Refinancing Summary

MEMO

Crowfoot Valley Ranch Metropolitan District No. 2 (the "District" or "Crowfoot Valley Ranch") continues to evaluate refunding options for the District's outstanding debt. Included herein is an update to our memorandum dated August 30, 2024.

### REFINANCING SUMMARY AND CONSIDERATIONS

The District currently has an opportunity to refinance its outstanding bonds to achieve significant savings and lower its debt service mill levy. By electing to refinance in 2024, the District is able to achieve the following:

- Gross debt service savings of ~\$49.2 million
- Net present value debt service savings of ~\$8.0 million, equal to ~14.6% of the refunded par amount
- Lower the blended interest rate by 0.94% to 5.39%
- Repay all accrued interest on all outstanding debt
- Reduce the maximum debt service mill levy by 2 mills, equal to a 4% reduction in property taxes for each homeowner

With the Series 2024A and 2024B Bond issuances, the District would be able to fully refinance the 2018A and 2018B Bonds and partially refinance the Series 2022C(3) Bonds. While the 2018A and 2018B Bonds are currently subject to a 2% prepayment premium if called prior to December 2025 (this premium amount is factored into the savings presented above), **this amount is lower than the interest that will be accruing on the 2018B Bonds (currently at 8%) and the 2022C(3) Bonds (currently at 6.79%) over the next 12 months if they are not redeemed.** Waiting to execute the refunding until December 2026 would eliminate the call premium; however, that benefit must be evaluated against accruing one or two more years of interest on the 2018B Bonds and 2022C Bonds that are currently paying a higher interest rate than the estimated rate for the refunding bonds (\$428,702 or \$891,696 on the 2018B Bonds, and \$2,032,523 or \$4,201,632 on the 2022C(3) Bonds), as well as the potential for interest rates to rise or market conditions for metropolitan districts to erode, which could eliminate the refunding opportunity altogether.

In addition, the refinancing plan currently presented, extends the term on the Series 2024A and 2024B Bonds to 2054 to refund the maximum par amount feasible at this time to lower the blended interest rate. Importantly, this structure provides flexibility for the District to refinance its debt again in 5 years, creating another opportunity to lower the debt service mill levy.

### ABILITY TO REDUCE DEBT SERVICE MILL LEVY

Under the current legal structure of the outstanding bonds, the District commits to levy the maximum debt service mill levy while any subordinate and junior bonds are outstanding (50 mills, adjusted). At present, the Developer is the sole owner of the Series 2022C(3) Bonds. For the 2024 refunding plan of finance, the Developer has agreed to lower the debt service mill levy cap on the remaining outstanding Series 2022C(3) Bonds by 2 mills to 48.00 mills, adjusted. Without a refinancing, the mill levy rate cannot be adjusted lower. This current opportunity to lower the maximum mill levy may not exist in the future, and this is the only feature that creates near-term tax relief for residents of the community.

### CURRENT MARKET CONDITIONS ARE SUPPORTIVE OF REFUNDING<sup>1</sup>

On August 19<sup>th</sup>, the Federal Open Market Committee (FOMC) cut rates by 50 basis points, lowering the upper bound of the target range from 5.50% to 5.00%. This action was anticipated by the market, and therefore, **long-term tax-exempt municipal bond yields were not impacted.** The FOMC's anticipated future actions will likely impact short-term rates as the interest rate the FOMC sets is an overnight borrowing rate; however, long-term rates are anticipated to remain nearly the same. The 30-year US Treasury yield is currently 4.12% and the Bloomberg Consensus Yield Curve Projection is currently anticipating it will be slightly lower at 4.00% in Q3 2025. Conversely, long-term yields have slightly increased since the FOMC's announcement. The 30-year US Treasury yield increased 11 basis points and the 30-year AAA MMD yield, used to price tax-exempt municipal bonds, has increased by 2 basis points.

### ADVANTAGE OF 2024 REFUNDING PLAN

Pursuing this refunding plan now provides an opportunity for the District to pay all unpaid accrued interest on the 2018B Bonds and 2022C(3) Bonds, and lower the blended interest rate by nearly 1%, allowing the District to pay down principal faster. Not only does this plan provide for significant savings, but it may also help advance the District's ability to pursue future refinancing opportunities to provide for additional interest cost savings and mill levy relief for its residents.

**Stifel Recommendation:** *While no firm is in a position to predict the future of interest rates, we do believe the 2024 proposal is achievable in today's market and should be strongly considered by the District given the anticipated savings. A Municipal Advisor serves under a legal fiduciary standard to evaluate a municipal financing, including the proposed borrowing terms and fees, within the context of an entity's financial status and objectives. Stifel can confirm that Piper Sandler's proposed underwriting fees are within range of underwriting fees on similar financings. Based upon Stifel's understanding of the District's goals to lower the debt service mill levy, achieve net present value savings, and provide flexibility for future refunding opportunities, Stifel recommends the District proceed with the proposed refunding plan.*

<sup>1</sup> Source: US Treasury, Bloomberg, Thomson Reuters. As of September 30, 2024.

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July 3, 2024

Board of Directors  
Crowfoot Valley Ranch Metropolitan District No. 2  
c/o Matt Ruhland  
Cockrel Ela Glesne Greher & Ruhland, P.C.  
44 Cook Street, Suite 620  
Denver, Colorado 80206

Dear Mr. Ruhland:

We are pleased that Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) has engaged Ballard Spahr LLP as bond counsel in connection with the proposed issuance of its Limited Tax General Obligation Refunding Bonds, Series 2024A (the “**Series 2024A Bonds**”), in the estimated aggregate principal amount of \$34,560,000, and its Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B (the “**Series 2024B Bonds**” and, together with the Series 2024A Bonds, the “**Bonds**”), in the estimated aggregate principal amount of \$19,615,000, for the purpose of refunding the following obligations: the Limited Tax General Obligation Bonds, Series 2018A, originally issued in the aggregate principal amount of \$31,945,000, the Subordinate Limited Tax General Obligation Bonds, Series 2018B, originally issued in the aggregate principal amount of \$3,260,000, and a portion of the Junior Lien Limited Tax General Obligation Bonds, Series 2022C<sub>(3)</sub>, originally issued in the aggregate principal amount of \$28,563,000 (collectively, the “**Refunded Bonds**”).

This transmittal letter, together with the attached Terms of Engagement, is intended to formalize our retention. It sets forth the scope of our engagement, outlines how we propose to staff the work for the District, describes the billing arrangements, discusses certain of our confidentiality obligations, and addresses certain conflict of interest understandings.

If this correctly reflects your understanding, please sign, date and return to me the enclosed copy of this letter. We value our representation of the District and are grateful that the District will look to us for legal representation.

Very truly yours,

/s/ Kimberly Casey  
Partner

**AGREED AND APPROVED**

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **TERMS OF REPRESENTATION**

The following terms together with the accompanying letter of engagement dated July 3, 2024 (the “**Transmittal Letter**”) constitute the terms of the engagement of Ballard Spahr LLP (“**Ballard Spahr**”) as the District’s bond counsel with respect to the proposed Loan:

1. **CLIENT.** It is understood that Ballard Spahr’s client for purposes of this representation is limited to the District and does not include others.

2. **SCOPE OF REPRESENTATION.** It is currently contemplated that the Bonds will be secured by ad valorem property taxes of the District limited to 49 mills (subject to adjustment for changes in the method of calculating assessed valuation), related specific ownership taxes and capital fees imposed by the District. Generally, such pledged revenue is anticipated to be applied: (i) first to the payment of and fund accumulations required with respect to the Series 2024A Bonds, and (ii) upon satisfaction of such annual requirements of the Series 2024A Bonds, to payment of the Series 2024B Bonds. The ad valorem property tax pledge securing payment of the Bonds will never convert to an unlimited property tax pledge.

The Series 2024A Bonds are structured as fixed-rate bonds, fully amortizing within their term. The Series 2024B Bonds are structured as fixed rate “cashflow bonds,” payable annually as to principal and interest to the extent of available pledged revenue.

It is anticipated that payment of the Series 2024A Senior Bonds will be secured by a municipal bond insurance policy. The Series 2024A Senior Bonds will also be secured by a Reserve Fund, which is anticipated will be partially funded with a surety bond issued by the provider of the municipal bond insurance policy, and partially funded from proceeds of the Series 2024A Senior Bonds.

Net proceeds of the Bonds may be placed into an escrow held under an escrow agreement and will be used to pay the Refunded Bonds on the earliest practicable date.

The Bonds are anticipated to be offered to financial institutions or institutional investors in a limited offering by Piper Sandler & Co. (the “**Underwriter**”), using a limited offering memorandum prepared by counsel to the Underwriter, or separate counsel to the District (i.e., Ballard Spahr will not prepare such an offering memorandum as part of this engagement).

As bond counsel we will advise the District in connection with the structuring of the Bonds and will prepare the basic bond documents. In particular, we will (i) prepare two Indentures of Trust (one for each series of bonds); (ii) prepare a resolution of the District authorizing the Bonds, the Indentures, and other documents; (iii) prepare and submit to the State Securities Commissioner documentation necessary to exempt the Bonds from the registration requirements of the Municipal Supervision Act; (iv) prepare and/or review, as applicable, such other documents and agreements as may be required in connection with the Bonds or which we deem necessary for rendering our opinion, (v) review a preliminary limited offering memorandum and limited offering memorandum prepared by counsel to the Underwriter or the District, with respect to sections relating to the Bonds, the Indentures of Trust, the security for the Bonds and certain tax related matters, (vi) review and negotiate, as necessary, commitments of the municipal bond insurer and any required agreement pertaining to the surety bond for the Reserve Fund; (vii) negotiate opinions



of the District's counsel and other necessary opinions required to be delivered in connection with the issuance of the Bonds; (viii) prepare a tax certificate and a tax-exempt opinion; and (ix) prepare the forms of such closing documents, certificates and opinions of counsel as may be required by the terms of the financing, the District's service plan and applicable federal and state laws.

As you know, bond counsel's primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds and the status of any exemption provided to interest thereon under federal tax law. Subject to the completion of tax due-diligence and other proceedings to our satisfaction, on the date when the Bonds are issued, we will render our opinion in customary form to the District addressing the enforceability of the Bonds and the Indentures of Trust, and the extent to which the interest on the Bonds is excluded from gross income for purposes of federal income tax. These opinions will be executed and delivered by us in written form and will be based on facts, expectations and law existing as of the date of the opinion.

We assume no obligation to review the financial condition of the District, or any other participant or the adequacy of the security provided to bondholders, and we will express no opinion relating thereto. However, we reserve the right to request such information as we consider necessary to inform ourselves of all aspects of the financing. As bond counsel we would also not assume responsibility for the accuracy, completeness or fairness of statements contained in any offering materials, other than any statements regarding validity of the Bonds, tax exemption or other issues that we expressly address in an opinion. While we may suggest alternative provisions for the documents to comply with legal requirements and accommodate the interests of the parties, we neither represent nor advocate the interests of any party to the transaction other than the District, and we expect that the developer(s) of the properties in the District, Piper Sandler & Co. as the underwriter of the Bonds, and other parties will retain such other counsel as they deem necessary and appropriate to represent their interests.

3. **STAFFING.** Customarily, each client of Ballard Spahr is served by a Relationship Partner (a principal lawyer contact) and one or more Matter Billing Lawyers (a lawyer designated to oversee an individual matter that Ballard Spahr handles on your behalf). It is expected that Kim Reed will be the Relationship Partner and will be Matter Billing Lawyer for our work as bond counsel to the District. The work or parts of it may be performed by other lawyers and legal assistants at Ballard Spahr. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. For example, the work on the bond counsel matters will be performed by Kim Casey, with the assistance of an associate, and the work on federal tax matters will be performed by Marybeth Orsini.

4. **FEES AND EXPENSES.** Our fee to act as bond counsel to the District in connection with the issuance of the Bonds (as presently proposed) will be \$90,000, a fee based on the structure, size and complexity of the financing transaction, and our estimate of the amount and nature of legal work necessary to accomplish a closing of the Bonds on or before September 1, 2024. This fee includes routine out of pocket disbursements (such as photocopying charges, delivery expenses, fax charges and postage). Any extraordinary disbursements or expenses authorized by the District will be billed to the District. If the anticipated structure of the Bonds changes significantly, we may propose an increase in the fee if warranted by the change, and the

above proposed fee is nonbinding with respect to an issuance of the Bonds in accordance with a structure varying materially from the structure described above. This fee for bond counsel services will be payable on the closing date for the Bonds.

5. **RETENTION AND DISPOSITION OF DOCUMENTS.** Following the termination of our representation, any otherwise nonpublic information the District has supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, the District's papers and property will be returned to the District promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by Ballard Spahr. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

6. **REGARDING FEDERAL TAX ADVICE.** In the course of our representation, we may render tax advice to the District on various legal matters. The District understands that they may not use such tax advice to avoid any penalties that may be imposed by the Internal Revenue Service unless, in accordance with the Internal Revenue Service rules of practice, we are specifically engaged to provide a formal, written tax opinion for that purpose. Accordingly, the District acknowledges that we may legend any written tax advice that we provide in the course of this engagement to indicate that it may not be relied on for purposes of penalty protection. The District further understands that our representation does not include the provision of any tax advice concerning transactions in which you may participate that would be "reportable transactions" within the meaning of Section 6707A of the Internal Revenue Code of 1986, as amended, and that our provision of tax advice concerning such transactions would require a separate engagement for that purpose.

7. **CONFLICTS OF INTEREST.** Ballard Spahr represents many other companies and individuals. It is possible that present or future clients of Ballard Spahr will have disputes or transactions with the District. For example, from time to time we represent investment banking firms with whom the District may have a relationship that may be viewed as competing with the District's projects, but are not related to the District's project, and we would expect to continue with these representations. Accordingly, to prevent any future misunderstanding and to preserve Ballard Spahr's ability to represent the District and its other clients, the District and we agree as follows with respect to certain conflicts of interest issues:

(a) Unless we have the District's specific agreement that we may do so we will not represent another client in a matter which is substantially related to a matter in which we represent the District and in which the other client is adverse to the District. We understand the term "matter" to refer to transactions, negotiations, proceedings or other representations involving specific parties.

(b) In the absence of a conflict as described in subparagraph (a) above, the District acknowledges that we will be free to represent any other client either generally or in any matter in which the District may have an interest.

(c) The effect of subparagraph (b) above is that we may represent another client on any issue or matter in which the District might have an interest, including, but not limited to:

(i) Agreements; licenses; mergers and acquisitions; joint ventures; loans and financings; securities offerings; bankruptcy, receivership or insolvency (including, without limitation, representation of a debtor, secured creditor, unsecured creditor, potential or actual acquirer, contract party or other party-in-interest in a case under the federal bankruptcy code or state insolvency laws or in a non-judicial debt restructuring, in which you are a debtor, creditor, contract party, potential or actual acquirer or other party-in-interest); patents, copyrights, trademarks, trade secrets or other intellectual property; real estate; government contracts; the protection of rights; representation before regulatory authorities as to these matters and others;

(ii) Representation of the debtor or other party in a Chapter 11 case under the Federal Bankruptcy Code in which you are a creditor, debtor or otherwise have an interest in the case;

(iii) Representation and advocacy with respect to legislative issues, policy issues, or regulatory issues, including rulemakings, administrative proceedings and enforcement proceedings; and

(iv) Litigation matters brought by or against you as long as such matters are not the same as or substantially related to matters in which we are, or have been, representing you.

We agree, however, that the District's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the District, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. The District should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent the District.

8. **APPLICATION OF THESE TERMS.** The Transmittal Letter, this statement of general terms of representation, and the accompanying schedule of other charges will govern our relationship with you upon our retention even if you do not sign and return a copy of the Transmittal Letter. In the event that we agree to undertake additional matters, any such additional representations will be governed by the terms and conditions of this agreement unless we mutually agree otherwise in writing. Our representation will be deemed concluded at the time that we have rendered our final bill for services on this matter. If you disagree with any of these terms and conditions, please advise us immediately by return correspondence so that we can resolve any differences as early as possible and proceed with a clear, complete, and consistent understanding of our relationship. This letter agreement supersedes any prior agreement with you with respect

to our engagement to provide professional services to you. The terms and conditions of this letter may be modified or amended only by written agreement signed by an authorized representatives of the District and Ballard Spahr, and no party may bind another party by unilateral submission of additional or different terms and conditions absent written consent to such terms and conditions by the other parties.

# Ballard Spahr LLP

2024

## Disbursement Pricing

<b>Disbursement</b>	<b>Cost</b>
Ballard Spahr Messenger	<b>No Charge</b>
Binding	<b>No Charge</b>
Cab Fares/Ride Share Services	Actual Cost
Courier Service	Actual Cost
Data Hosting	\$12 p/gb per month
Data Processing	<b>No Charge</b>
Document Production	<b>No Charge</b>
Duplicating	\$0.10 per page
Duplicating (Color)	\$0.15 per page
Outside Duplicating	Invoice Cost
Fax (Outgoing Only)	<b>No Charge</b>
Lexis and Westlaw	Actual (discounted) Cost
Library Research Services	Published Standard Cost
Long Distance Telephone	<b>No Charge</b>
Overtime	<b>No Charge</b>
Postage	No Charge (Standard USPS First Class under \$25) Actual Cost (Standard USPS First Class over \$25, Certified, Registered, Insurance, USPS Priority and Overnight Express)
State Department Services	<b>No Charge</b>
Telephone (Credit Card Calls)	<b>No Charge</b>
Travel	Actual Cost

Crowfoot Valley Ranch Metropolitan District No. 2  
c/o Matt Ruhland  
Cockrel Ela Glesne Greher & Ruhland, P.C.  
44 Cook Street, Suite 620  
Denver, CO 80206  
[mruhland@cegrlaw.com](mailto:mruhland@cegrlaw.com)

July 1, 2024

Re: Underwriter/Placement Agent Engagement Letter  
**General Obligation Refunding Bonds, Series 2024A, Subordinate Cash Flow Bonds, Series 2024B (the "Securities")**

Dear Matt:

This letter confirms the agreement (the "Agreement") between Piper Sandler & Co. ("Piper Sandler" or "we" or "us") and **Crowfoot Valley Ranch Metropolitan District No. 2** (the "Issuer" or "you") as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities with gross proceeds to be determined. Sale and delivery of the Securities by the Issuer will occur on the day of closing ("Closing Date").
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities in a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As an Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including bond counsel;
- (f) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in Securities;

- (g) Develop a marketing plan for the offering, including identification of potential investors;
- (h) Negotiate the pricing, including the interest rate, and other terms of Securities;
- (i) Obtain CUSIP number(s) for Securities and arranging for their DTC book-entry eligibility as required;
- (j) Provide a final schedule of debt service payments for Securities;
- (k) Review and make comments with respect to closing documents prepared by Bond Counsel;
- (l) Plan and arrange for the closing and settlement of the issuance and the delivery of Securities; and
- (m) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

As a Placement Agent:

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- (e) assist you in negotiating definitive documentation.

3. ***Fees and Expenses.***

For our services, you agree to pay us an underwriting discount as described below of the total par amount of the Securities payable as a discount to the purchase price or by wire transfer of immediately available funds at closing. All transactions are subject to a \$30,000 minimum fee. For avoidance of doubt, the fee shall not be payable in the event a closing of the Securities does not occur.

Insured Senior Debt	Non-Rated Subordinate Debt
1%	3%

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the “Transaction Materials”) appropriate

and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and

- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

5. **Other Matters Relating to Our Engagement.** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election, satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this



time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.

7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements, and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of Colorado. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County in which the District is located, State of Colorado for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County in which the District is located, State of Colorado and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.
14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.

16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



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**Zach Bishop, Managing Director**  
Piper Sandler & Co.

Acknowledgement and Approval of Engagement  
and Receipt of Appendix A Disclosures

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**Authorized Signor**  
**Crowfoot Valley Ranch Metropolitan District No. 2**

Date: \_\_\_\_\_

## Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. to serve as your underwriter or placement agent. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Piper Sandler & Co. intends to serve as an underwriter or placement agent, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our underwriting services, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

The following G-17 conflict of interest disclosures are now broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

If Piper Sandler is engaged to act as your underwriter in a negotiated underwriting, by engaging Piper Sandler as your underwriter, you determined to sell the Bonds by negotiated sale. A negotiated sale is the sale of a new issue of municipal securities by an issuer directly to an underwriter or underwriting syndicate selected by the issuer. A negotiated sale is distinguished from a sale by competitive bid, which requires public bidding by the underwriters. Piper Sandler did not advise you as to what method of sale (competitive or negotiated sale) you used for this issuance of municipal securities.

### ***Dealer-Specific Conflicts of Interest Disclosures***

Piper Sandler has not identified any actual or potential material conflicts of interest.

### ***Transaction-Specific Disclosures***

- Disclosures Concerning Complex Municipal Securities Financing:
  - Since we have recommended to the Issuer/Obligor a financing structure that may be a “complex municipal securities financing” for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at this time.

### ***Standard Disclosures***

- Disclosures Concerning the Underwriters’ Role:
  - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
  - The underwriters’ primary role is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
  - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction.
  - The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.

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<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

- The underwriters will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>2</sup>
- Disclosures Concerning the Placement Agent Role:
  - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
  - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
  - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The placement agent has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>3</sup>
- Disclosures Concerning the Underwriters' Compensation:
  - The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.
- Disclosures Concerning the Placement Agent's Compensation:
  - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with

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<sup>2</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

<sup>3</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the underwriters or placement agent to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

## Appendix B – Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

### Financial Characteristics

*Maturity and Interest.* Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities, whether for their benefit or as a conduit issuer for a nongovernmental entity. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

*Redemption.* Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

### Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

*General Obligation Bonds.* “General obligation (GO) bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. The debt service on “unlimited tax” GO bonds are paid from ad valorem taxes which are not subject to state constitutional property tax millage limits, whereas “limited tax” GO Bonds are subject to such limits.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds generally will have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds (conduit revenue bonds) may be issued by a governmental issuer acting as a conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

The description above regarding “Security” is only a summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

## **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not enough to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by



revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

General Fund Obligations that are Project Based. Some general fund obligations are issued for projects which are expected to generate revenues that will pay for some or all of the debt service on the bonds. In the event the project does not generate the anticipated levels of revenues available for debt service, or, in the extreme case, does not create any revenue available for debt service, you may need to make payments from other available general fund revenues. This may force you to reduce other expenditures or to make difficult decisions about how to pay your debt service obligation while meeting other expenditure needs.

General Fund Obligations that are Subject to Annual Appropriation. Some general fund obligations require that debt service is subject to annual appropriation by your governing body. If your governing body decides not to appropriate payments for debt service, your credit ratings may be negatively impacted and you may be forced to pay a higher interest rate on future debt issuance or may be unable to access the market for future debt issuance.

For all bonds, a default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

Redemption Risk. Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. If interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk. If your financing plan contemplates refinancing some or all the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required.

Reinvestment Risk. You may have proceeds from the issuance of the bonds available to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

Tax Compliance Risk. The issuance of tax-exempt bonds is subject to several requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If tax-exempt bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.



This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

*“Cash Flow” Structure of the Bonds and the Risk of Compounding Interest.* The Bonds are expected to possess a “cash flow” structure, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment. To the extent your cash flow is insufficient to pay interest when due on the Bonds, the unpaid interest will compound. Compounding could substantially increase your overall debt burden.

Representatives of Crowfoot Valley Ranch Metropolitan District #2

RE: FINANCIAL ADVISORY SERVICES  
Refunding Bonds

Stifel, Nicolaus & Company, Incorporated (“Stifel”) presents for your acceptance this agreement to retain Stifel as financial advisor to the Crowfoot Valley Ranch Metropolitan District #2 (“Issuer”) for the proposed Limited Tax General Obligation Refunding Bonds, Series 2024A and Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B (collectively, the “Bonds”) for the Junior Subordinate Limited Tax General Obligation Bonds, Series 2022C, Limited Tax General Obligation Bonds, Series 2018A and the Subordinate Limited Tax General Obligation Bonds, Series 2018B. This agreement will be effective on the date signed by an authorized representative of Issuer and will authorize Stifel to act as financial advisor through the completed sale of the proposed Bonds, at which time this agreement will terminate. This agreement may also be terminated on thirty (30) days written notice by either party.

1. Scope of Work. Stifel agrees to perform the following services for Issuer with respect to the Bonds:
  - a. Assume overall responsibility for the financial analysis and structuring recommendations for the Bonds;
  - b. Assist counsel to the underwriter(s) and Issuer in preparation of the preliminary and final official statements, offering memoranda, or term sheets for the Bonds consistent with all federal and state requirements;
  - c. Assist Issuer, as requested, in the selection of an underwriter(s) or placement agent, including review of underwriter or placement agent recommendations to the extent requested in writing by Issuer, and coordinate all activities of the underwriter(s) or placement agent;
  - d. Coordinate with consultants, accountants, bond counsel, other attorneys and staff in connection with the sale of the Bonds;
  - e. Coordinate financing time schedule, distribution of documents, preliminary and final official statement printing, wire-transfer of funds, delivery of bonds and bond closing;
  - f. Assist Issuer on the matter of bond rating(s) for the proposed issue and coordinate the preparation of credit information for submission and presentation to the rating agency(ies);
  - g. Coordinate pre-pricing discussions of bond pricing and structuring, supervise the negotiated sale process, and advise on acceptability of offer to purchase bonds by the underwriters;
  - h. If requested, assist Issuer in procuring any appropriate ancillary financing-related products and services including, credit enhancement (e.g., bond insurance), paying agent/registrar/trustee, escrow agent (if applicable), escrow investments, and other such products and services as Issuer may deem necessary or desirable in connection with any financing.
  - i. Attend Issuer meetings as requested, with reasonable advance notice;

- j. Provide such other services as are mutually agreed upon in writing by Issuer and Stifel.
- 2. Issuer's Obligations. Issuer agrees that, with respect to the Bonds, its staff and consultants will cooperate with Stifel and make available any data in the possession of Issuer necessary to perform Stifel's financial advisory services and regulatory obligations as described in Exhibit A to this agreement.
- 3. Regulatory Disclosures:
  - a. Issuer is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 -"the Rule"). Stifel will be serving as a municipal advisor to the Issuer under the Rule and this agreement documents the municipal advisory relationship between Stifel and the Issuer.
  - b. MSRB Rule G-42 requires that a municipal advisor provide its client with certain written disclosures. Please see Exhibit A to this agreement for those disclosures.
- 4. Compensation:

For Stifel's financial advisory services and expenses in processing the Bonds to be sold in a negotiated sale, Stifel shall be paid a fee equal to \$160,000, to be paid at the completion of the sale of the Bonds. This amount includes all out of pocket expenses.

5. Authority to Direct Financial Advisor:

The following individuals have the authority to direct Stifel's performance of its scope of work under this agreement:

Respectfully submitted as an update on October 8<sup>th</sup> to previously submitted documentation (July 26, 2024).

STIFEL, NICOLAUS & COMPANY, INCORPORATED

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

Name: Josh Benninghoff

Title: Managing Director

ACCEPTANCE

I, Representative of the District, upon approval by the governing body of Crowfoot Valley Ranch Metropolitan District #2, hereby accept the agreement as submitted by Stifel, Nicolaus & Company, Incorporated relative to the financial advisory services, as described herein.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### **Crowfoot Valley Ranch Metropolitan District #2 Financial Advisory Agreement Related to the Revenue Bonds**

#### **MSRB Rule G-42 Disclosures**

As municipal advisor to Crowfoot Valley Ranch Metropolitan District #2 (“you”), Stifel Nicolaus (“Stifel” or “we”) is subject to the rules of the Municipal Securities Rulemaking Board (MSRB), including MSRB Rule G-42. The rule directs us to make certain disclosures to you. Please review the following disclosures and contact your Stifel municipal advisor if you have any questions.

#### **Our Duties as Your Municipal Advisor**

Rule G-42 describes our basic duties to you. Most importantly, we owe you a fiduciary duty, the principal element of which is a duty of loyalty. Under the duty of loyalty, we are required to deal honestly and in the utmost good faith with you and to act in your best interests without regard to our financial or other interests. We may not serve as your municipal advisor if we believe that we have any conflicts of interest that we cannot manage or mitigate so that we can act in your best interests.

Rule G-42 also provides that we owe you a duty of care. As part of that duty, we must possess the degree of knowledge and expertise needed to provide you with informed advice. Also, under that duty, when we make recommendations to you or help you to evaluate the recommendations of others, we may need to ask questions to make sure that we have all the relevant facts.

#### **Disclosure of Conflicts**

Rule G-42 requires us to disclose to you any known material, actual or potential conflicts of interest that could reasonably be expected to impair our ability to provide you with advice, including any conflicts associated with contingent fee arrangements. As described in our engagement letter, the payment of our fee will be contingent on the closing of the bond issue described in the engagement letter. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since we may have an incentive to recommend a transaction to you that is unnecessary or to recommend that the size of the bond issue be larger than is necessary. We would, of course, be willing to discuss an alternative fee arrangement, if that is your preference.

Stifel has identified the following actual or potential material conflicts of interest:

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

### **Legal and Disciplinary Event Disclosures**

Each firm that is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) is required to file Form MA with the SEC and update that form periodically and as events change. The firm is also required to file a Form MA-1 for each of its employees who is engaged in municipal advisory activities. Stifel's most recent Form MA and the Form MA-1 for each current Stifel municipal advisor employee may be found on the SEC's EDGAR website using the following hyperlink: <http://www.sec.gov/cgi-bin/browse-edgar?CIK=0000094403&owner=exclude&action=getcompany&Find=Search>.

Item 9 of Form MA requires each municipal advisor firm to disclose any criminal, regulatory violations, or self-regulatory violations and certain civil litigation. Because we are a broker-dealer firm, Form MA permits us to cross-reference to our Form BD, which is available on the website of the Financial Industry Regulatory Authority (FINRA), and our Form ADV, which is available on the SEC website. For your convenience, you may access our Form BD by using the following hyperlink: <http://brokercheck.finra.org/Firm/Summary/793>. You may access our Form ADV by using the following hyperlink: <https://adviserinfo.sec.gov/firm/summary/793>. Item 6 of each Form MA-1 requires comparable disclosure about a municipal advisor individual, as well as customer complaint, arbitration, investigation, termination, financial, and judgment/lien disclosure. When an individual has a disciplinary history, Form MA-1 permits us to cross-reference to that individual's Form U-4. The disciplinary history on an individual's Form U-4 is accessible entering the individual's name in FINRA's "Broker-Check" service, using the following hyperlink: <http://brokercheck.finra.org/>.

On March 25, 2024, Stifel, Nicolaus & Company, Incorporated ("Stifel") entered into a Letter of Acceptance, Waiver, and Consent ("AWC") with the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). In the AWC, FINRA stated that Stifel failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with Stifel's suitability obligations in connection with non-traditional exchange-traded product (NT-ETP) transactions. Though Stifel had a supervisory system in place, FINRA stated that the supervisory system failed to provide reasonable guidance about how to identify and address potentially unsuitable NT-ETP recommendations.

Stifel was censured and ordered to pay a monetary fine of \$920,000. In addition to the administrative fine, Stifel was ordered to make restitution payments to certain customers in an amount not less than \$1,189,841.54. Stifel neither admitted nor denied the findings set forth in the AWC, but consented to the sanctions and to the entry of findings regarding supervision.

Stifel does not consider this matter to be material to our ability to perform municipal advisory services for our clients.

### **Evaluation of Recommendations/Suitability**

As provided in our engagement letter, we will assist you in evaluating recommendations, whether made by Stifel or, upon your written request, by third-parties, such as underwriters. We will provide you with our evaluation of the material risks, potential benefits, structure, and other characteristics of the transaction or product. We will discuss with you why we think a recommendation we make is suitable for you. In the case

of recommendations made by an underwriter or other third-party that you request in writing that we review, we will discuss with you why we think the recommended transaction or product is or is not suitable for you. We will also inform you of any other reasonably feasible alternatives considered.

In order for us to evaluate whether we think a recommendation is suitable for you, we are required to consider the following factors and we may need information from you about those factors, much as if you were opening a brokerage account:

- financial situation and needs,
- objectives,
- tax status,
- risk tolerance,
- liquidity needs,
- experience with municipal securities transactions or municipal financial products generally or of the type and complexity being recommended,
- financial capacity to withstand changes in market conditions during the term of the municipal financial product or the period that municipal securities to be issued in the municipal securities transaction were reasonably expected to be outstanding, and
- any other material information known by the municipal advisor about the client and the municipal securities transaction or municipal financial product, after reasonable inquiry.

#### **Additional Information**

We also wish to inform you that Stifel is registered as a municipal advisor with both the SEC and the MSRB. Information about the duties of a municipal advisor, as well as the procedures for filing a complaint, may be found on the MSRB's website by clicking on the following link: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>. The general website for the MSRB is [www.msrb.org](http://www.msrb.org). If you have any questions, please contact your municipal advisor.



## **PROPOSAL FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

- TO:** Crowfoot Valley Ranch Metropolitan District No. 2
- FROM:** King & Associates, Inc.
- DATE:** June 21, 2024
- FOR:** Residential Market Analysis.
- OBJECTIVE:** To prepare a residential market analysis for existing and planned development in Crowfoot Valley Ranch Metropolitan District No. 2 ("District"), located in Douglas County, Colorado.
- BACKGROUND:** Crowfoot Valley Ranch Metropolitan District No. 2 is located in Douglas County, Colorado. Existing and planned development in the District is anticipated to include single-family residential units. A market study addressing residential absorption and valuation potential for existing and planned development in the District has been requested as part of the District's planned financing.

### **SCOPE OF SERVICES**

#### **Task 1: Residential Market Analysis**

King & Associates, Inc. will complete a real estate market analysis pertaining to existing and planned residential land uses in the District, located in Douglas County, Colorado. The analysis will address residential market supply and demand factors such as demographics, employment and development trends in the vicinity (trade area) of the District. Further, the analysis will address competitive single-family residential development projects and new home sale trends within the trade area.

The market analysis will directly address project feasibility, likely absorption timing and anticipated residential valuations within the District.

### **WORK PRODUCT, TIMING & BUDGET**

*Work Product:* Deliverable will include a market analysis in report format, detailing the findings outlined within the work scope.

*Timing:* Completed by July 19, 2024.

*Budget:* \$8,500; plus, purchase of demographic and market data may be necessary at an approximate cost not to exceed \$500.





**AGREEMENT FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

- Between:** Crowfoot Valley Ranch Metropolitan District No. 2.
- And:** King & Associates, Inc.
- For:** Residential Market Analysis.
- Objective:** To prepare a market analysis for Crowfoot Valley Ranch Metropolitan District No. 2, located in Douglas County, Colorado.
- Budget:** Task 1: \$8,500, plus potential market data costs not to exceed \$500.
- Advance:** None.

**Hourly rates for King & Associates, Inc.:**

The fee for the project is listed in the above Budget line item. Should additional work be authorized beyond the outlined work scope, the client will be billed on an hourly basis as follows: Luke Kelly \$200, Bruce Martin \$200, Associates \$45-\$125.

**Direct Expenses:**

All other expenses for printing, reproduction, computer time, telephone, photocopying, travel, etc., are in addition to labor charges and are charged at actual cost plus 10%.

**Authorization to Proceed:**

Services covered by this authorization shall be performed in accordance with provisions stated in the attached Exhibit A.

This fee estimate is subject to revision if problems are encountered that are unforeseeable at the commencement of the project. In this event, we will discuss the matter with you so that a mutually acceptable revision may be made.

Approved by Client:

\_\_\_\_\_ Date: \_\_\_\_\_

Approved by King & Associates, Inc.

Lu D Ky \_\_\_\_\_ Date: June 21, 2024



## EXHIBIT A

### ATTACHED TO PROFESSIONAL PLANNING SERVICES AGREEMENT BY AND BETWEEN KING & ASSOCIATES, INC. AND CLIENT

The terms and conditions contained in this Exhibit are attached to the referenced Agreement and are incorporated therein.

**Payment:** Should the Agreement provide for an advance fee, it shall be payable upon the execution of the Agreement.

Invoices for services, rendered and for costs and expenses will be submitted on a monthly basis. Final payment for all services and for all costs and expenses shall be due upon completion of the work contemplated by the Agreement.

Advances received by King & Associates, Inc. will be deducted from the first billing.

Invoices are due and payable upon receipt. Should payment not be made within thirty (30) days of the invoice date, the amount unpaid shall bear service charges at the rate of 1% per month commencing thirty (30) days from the statement date. If payment is not made within thirty (30) days of the invoice date, work may be suspended until payment has been received.

**Disputes:** In the event of any dispute arising under the terms of this Agreement or in the event of nonpayment and the matter is turned over to another party for collection, the party prevailing in such dispute or action shall be entitled, in addition to other damages or costs, to receive reasonable attorneys' fees and court costs from the other party.

**Termination:** This Agreement may be terminated without cause by either party by written notice from one party to the other at least seven (7) days prior to termination. Upon termination, payment will be made to King & Associates, Inc. as covered above for all services authorized and performed, plus reimbursable expenses up to the date of termination.

**Limitation of Liability:** The Client agrees to limit King & Associates, Inc.'s liability for any cause or combination of causes in aggregate, to an amount no greater than the fee earned.

STATE OF COLORADO )  
 )  
 DOUGLAS COUNTY ) ss  
 )  
 CROWFOOT VALLEY RANCH )  
 METROPOLITAN DISTRICT NO. 2 )

I, the Secretary or Assistant Secretary of the Crowfoot Valley Ranch Metropolitan District No. 2, in Douglas County, Colorado (the “**District**”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “**Resolution**”) adopted by the Board of Directors (the “**Board**”) of the District at a special meeting held at 3:00 p.m. on October 9, 2024, at The Spoke at Macanta, 3625 Macanta Boulevard, Castle Rock, Colorado 80108, and via video/telephone conference at:

<https://zoom.us/j/7848826891>  
 Meeting ID: 784 882 6891  
 Passcode: 0000  
 Dial-In: (719) 359-4580

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with § 11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a telephone conference, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

<b>Board Member*</b>	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstaining</b>
Chad Murphy, President	_____	_____	_____	_____
Richard Cross, Treasurer	_____	_____	_____	_____
Sean Logue, Assistant Secretary	_____	_____	_____	_____
Ryan Marsh, Assistant Secretary	_____	_____	_____	_____
Christopher Crawford, Director	_____	_____	_____	_____

\* Ann Finn serves as Secretary to the Board but is not a member of the Board

5. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the

normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of Crowfoot Valley Ranch Metropolitan District No. 2  
this 9<sup>th</sup> day of October, 2024.

[SEAL]

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

*(Attach copy of meeting notice as posted)*

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## RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, IN DOUGLAS COUNTY, COLORADO, OF ITS LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024A, AND SUBORDINATE LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024B, FOR THE PURPOSE OF REFUNDING OUTSTANDING OBLIGATIONS OF THE DISTRICT, FUNDING ANY REQUIRED RESERVE FUNDS FOR REPAYMENT OF PRINCIPAL AND INTEREST ON THE SERIES 2024A BONDS, PAYING THE COST OF A BOND INSURANCE POLICY AND/OR RESERVE FUND POLICY WITH RESPECT TO THE SERIES 2024A BONDS AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (SENIOR), AND AN INDENTURE OF TRUST (SUBORDINATE); AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

**WHEREAS**, Crowfoot Valley Ranch Metropolitan District No. 2, in Douglas County, Colorado (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (“**C.R.S.**”); and

**WHEREAS**, the District was organized by Order and Decree of the District Court for Douglas County, Colorado issued on December 3, 2002, recorded in the real property records of Douglas County, Colorado (the “**County**”) on December 18, 2002; and

**WHEREAS**, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, and transportation improvements in accordance with the Amended and Restated Consolidated Service Plan for the District and Crowfoot Valley Ranch Metropolitan District No. 1 (“**District No. 1**” and, together with the District, the “**Districts**”) approved by the Board of County Commissioners of the County of Douglas, Colorado on December 16, 2008 (as amended and restated from time to time, the “**Service Plan**”); and

**WHEREAS**, at elections of the qualified electors of the District, duly called and held on Tuesday, November 5, 2002 (the “**2002 Election**”); Tuesday, November 7, 2006 (the “**2006 Election**”); and Tuesday, November 4, 2014 (the “**2014 Election**” and, together with the 2006 Election, the “**Elections**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2002 Election and the Elections voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, the questions relating thereto being as set forth on Exhibit B to the Senior Indenture and the Subordinate Indenture (each as defined herein); and



**WHEREAS**, the returns of the Elections were duly canvassed and the results thereof duly declared; and

**WHEREAS**, the results of the Elections were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S. within 45 days after the applicable Election; and

**WHEREAS**, as contemplated by the Service Plan, the Districts entered into an Amended and Restated District Facilities Agreement dated January 1, 2008, as amended by a First Amendment thereto dated as of May 29, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

**WHEREAS**, the Boards of the Districts have previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

**WHEREAS**, for the purpose of funding certain costs of the Facilities, as contemplated by the Master IGA, District No. 1 has previously entered into a Facilities Funding and Acquisition Agreement dated February 2, 2007 with Canyons South LLC (the “**Prior Developer**”), which agreement has been assigned to HT Canyons South Development LP, a Delaware limited partnership (the “**Developer**”) pursuant to an assignment dated as of May 11, 2018 and amended by a First Amendment thereto dated as of December 5, 2022 among the District, District No. 1 and the Developer (collectively, the “**Reimbursement Agreement**”), pursuant to which District No. 1 has agreed to acquire from the Developer any Facilities constructed for the benefit of the Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof (but solely from the sources of revenue identified therein), and the District has agreed to issue from time to time to the Developer the Bonds (defined below) in payment of the costs of certain Facilities acquired by District No. 1 from the Developer and in reimbursement of any costs of issuance of the Bonds funded by the Developer, all subject to the limitations more particularly provided therein; and

**WHEREAS**, for the purpose of financing a portion of the Project (including paying amounts due or to become due under the Reimbursement Agreement), the District has previously issued its:

- (i) Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$31,945,000 (the “**2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of June 1, 2018 (the “**2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee (the “**Refunded Bonds Trustee**”), presently outstanding (prior to application of proceeds of the Bonds and 2024B Subordinate Bonds) in the aggregate principal amount of \$[31,945,000];

- (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the total aggregate principal amount of \$3,260,000 (the “**2018B Subordinate Bonds**” and, together with the 2018A Senior Bonds, the “**2018 Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of June 1, 2018 (the “**2018B Subordinate Indenture**”), by and between the District and the Refunded Bonds Trustee, presently outstanding (prior to application of proceeds of the Bonds and 2024B Subordinate Bonds) in the aggregate principal amount of \$3,260,000; and
- (iii) Junior Lien Limited Tax General Obligation Bonds, Series 2022C<sup>(3)</sup>, issued to the Developer from time to time in the total aggregate principal amount of \$28,563,000 (the “**2022 Junior Lien Bonds**”), pursuant to an Indenture of Trust (Junior Lien) dated as of December 1, 2022, as amended by a First Supplemental Indenture of Trust (Junior Lien) dated as of May 16, 2024 (collectively, the “**2022C Junior Lien Indenture**”), by and between the District and the Refunded Bonds Trustee, presently outstanding (prior to application of proceeds of the Bonds and 2024B Subordinate Bonds) in the aggregate principal amount of \$28,563,000; and

**WHEREAS**, the 2018A Senior Bonds bear interest at the rates of 5.625% and 5.750% per annum and are presently subject to redemption at the option of the District for the period beginning December 1, 2023, and ending November 30, 2024, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date plus a redemption premium equal to 3.00% of the principal amount redeemed; and

**WHEREAS**, the 2018B Subordinate Bonds bear interest at the rate of 8.000% per annum and are presently subject to redemption at the option of the District for the period beginning December 15, 2023, and ending December 14, 2024, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date plus a redemption premium equal to 3.00% of the principal amount redeemed; and

**WHEREAS**, the 2022C Junior Lien Bonds bear interest at a variable interest rate reset quarterly as more particularly provided in the 2022C Junior Lien Indenture, and are subject to redemption at the option of the District on any date, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without redemption premium; and

**WHEREAS**, for the purpose of refunding all of the 2018 Bonds and a portion of the 2022C Junior Lien Bonds (collectively, the “**Refunded Bonds**”), the Board hereby determines to issue its Limited Tax General Obligation Refunding Bonds, Series 2024A (the “**Series 2024A Senior Bonds**”) in a principal amount not to exceed \$54,000,000, and its Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B (the “**Series 2024B Subordinate Bonds**” and, together with the Series 2024A Senior Bonds, the “**Bonds**”), in a principal amount not to exceed \$24,500,000; and

**WHEREAS**, the Series 2024A Senior Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Senior) (the “**Senior Indenture**”) by and between the District and UMB Bank, n.a., as trustee (the

“Trustee”), and shall be payable solely from the sources set forth in the Senior Indenture, including the Pledged Revenue (as defined therein); and

**WHEREAS**, the Series 2024B Subordinate Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Subordinate) (the “**Subordinate Indenture**”) by and between the District and the Trustee, and shall be payable solely from the sources set forth in the Subordinate Indenture, including the Subordinate Pledged Revenue (as defined therein); and

**WHEREAS**, in connection with the issuance of the Bonds, the Board has determined to amend the 2022C Junior Lien Indenture pursuant to a Second Supplemental Indenture of Trust (Junior Lien) (the “**Second Supplemental Indenture**”), to be entered into by the District and the trustee for the 2022 Junior Lien Bonds, for the purpose of reducing the maximum debt service levy securing payment of the 2022 Junior Lien Bonds to an amount not in excess of the maximum debt service mill levy securing the Bonds; and

**WHEREAS**, the Board hereby declares its intent to redeem the Refunded Bonds (including as much of the 2022C Junior Lien Bonds as may be redeemed from available revenues, after providing for the redemption of the 2018A Senior Bonds and the 2018B Subordinate Bonds) on the earliest practicable date, subject to the availability of funding therefor, and finds and determines that, in accordance with Title 32, Article 1, Part 13, C.R.S., the Bonds are incurred for the purpose of reducing interest costs or effecting other economies and modifying or eliminating restrictive contractual limitations relating to the incurring of additional indebtedness; and

**WHEREAS**, the principal amount of the Bonds shall be allocated to the District’s electoral authorization, if and to the extent required, as more particularly provided in the recitals of the Senior Indenture and the Subordinate Indenture, and,; and

**WHEREAS**, the Service Plan limits the aggregate debt that may be issued by the Districts to \$70,000,000, provided that such limitation does not apply to obligations issued to refund prior indebtedness and, accordingly, the Board has found and determined that such limitation does not apply to the issuance of the Bonds; and

**WHEREAS**, in accordance with the requirements of the 2022C Junior Lien Indenture, the Trustee and the District are in receipt of a fully-executed consent of the Consent Parties for 100% in aggregate principal amount of the 2022C Junior Lien Bonds with respect to the issuance of the Bonds; and

**WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., the Service Plan, and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

**WHEREAS**, the Series 2024A Senior Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Pledged Revenue (as defined in the Senior Indenture); and

**WHEREAS**, the Series 2024B Subordinate Bonds shall be subordinate limited tax general obligations of the District, and shall be payable solely from the Subordinate Pledged Revenue (as defined in the Subordinate Indenture); and

**WHEREAS**, at the direction of the Board, Piper Sandler & Co., Denver, Colorado (the “**Underwriter**”) may, on behalf of the District, discuss with bond insurance companies the terms of a Bond Insurance Policy (as defined herein) with respect to all or a portion of the Series 2024A Senior Bonds and a Reserve Policy (as defined herein), and the Board desires to delegate the authority to the Sale Delegate to determine whether the Series 2024A Senior Bonds will be secured by the Bond Insurance Policy and whether the Reserve Fund will be established and funded with a Reserve Policy or with proceeds of the Series 2024A Senior Bonds, or a combination thereof, to designate the Bond Insurer (as defined herein) and to determine the terms of the Commitment (as defined herein); and

**WHEREAS**, the Series 2024A Senior Bonds may be rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations and, as a result, if so rated, are permitted pursuant to the provisions of Section 32-1-1101(6)(a)(I), C.R.S.; and

**WHEREAS**, if the Series 2024A Senior Bonds are rated in one of the four highest rating categories, the Series 2024A Senior Bonds shall be issued in denominations of \$5,000, and in integral multiples of \$1,000 in excess thereof, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, if the Series 2024A Senior Bonds are not rated in one of the four highest rating categories, the Series 2024A Senior Bonds shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, if the Series 2024A Senior Bonds are not rated in one of the four highest rating categories, pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S., the Series 2024A Senior Bonds will be issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

**WHEREAS**, the Series 2024B Subordinate Bonds shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, the Series 2024B Subordinate Bonds shall be issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

**WHEREAS**, there has been presented at or prior to this meeting of the Board a proposal from the Underwriter, to purchase the Bonds in accordance with the terms and conditions set forth in a Bond Purchase Agreement (the “**Bond Purchase Agreement**”), a form of which has been presented to the Board at or prior to this meeting; and

**WHEREAS**, after consideration, the Board has determined that the refunding of the Refunded Bonds and the sale of the Bonds to the Underwriter upon the terms and conditions presented to the Board and set forth in the Bond Purchase Agreement (a final form of which will be approved by the Sale Delegate (defined herein) subject to the limitations of the authority delegated to the Sale Delegate set forth herein) is in the best interests of the District and the taxpayers thereof; and

**WHEREAS**, there has been presented at or prior to this meeting of the Board substantially final forms of the following (all as defined herein): the Senior Indenture, the Subordinate Indenture, the Continuing Disclosure Agreement, the Escrow Agreement, the Post-Issuance Tax Compliance Policy, the Commitment (if any), the Bond Purchase Agreement and the Second Supplemental Indenture; and

**WHEREAS**, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S., to execute and deliver the Bond Purchase Agreement and make other determinations regarding the Bonds; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, the Senior Indenture and the Subordinate Indenture, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

**WHEREAS**, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the Sale Delegate to determine certain provisions of the Bonds to be set forth in the Bond Purchase Agreement, in accordance with the provisions of this Resolution; and

**WHEREAS**, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors of the Board were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, IN DOUGLAS COUNTY, COLORADO:**

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto, the Senior Indenture and the Subordinate Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the “Special District Act,” being Title 32, Article 1, C.R.S.

“*Bond Insurance Policy*” means the municipal bond insurance policy, if any, issued by the Bond Insurer insuring the payment when due of the principal of and interest on all or a portion of the Bonds, as provided therein.

“*Bond Insurer*” means the entity, if any, identified in the Senior Indenture as the issuer of the Bond Insurance Policy and/or the Reserve Policy, or any successor thereto.

“*Bonds*” means the Series 2024A Senior Bonds and the Series 2024B Subordinate Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Commitment*” means, collectively, those certain offers, if any, to issue the Bond Insurance Policy and/or the Reserve Policy, designated as the Commitment, issued by the Bond Insurer.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement to be dated as of the date of issuance of the Bonds, by and among the District and the Trustee.

“*Escrow Agreement*” means the Refunding Escrow Agreement to be dated as of the date of issuance of the Bonds by and between the District and the Trustee, as escrow agent relating to the Escrow Account (as defined therein) for the facilitation of the refunding of the 2018A Senior Bonds and the 2018B Subordinate Bonds.

“*Facilities*” means public facilities the debt for which was approved at the Elections, including without limitation necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the Senior Indenture, the Subordinate Indenture, the Commitment (if any), the Tax Certificate, the Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement and the Second Supplemental Indenture.

“*Insured Bonds*” means a portion of, or all of, the Series 2024A Senior Bonds insured by the Bond Insurance Policy (if any).

“*Limited Offering Memorandum*” means the final Limited Offering Memorandum relating to the offer and sale of the Bonds.

“*Post-Issuance Tax Compliance Policy*” means the Post-Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Certificate.

“*Project*” means the financing, acquisition, construction, or installation of the Facilities.

“*Reserve Policy*” means the debt service reserve insurance policy, if any, issued by the Bond Insurer and purchased by the District in satisfaction of, and in the amount of, all or a portion of the Reserve Requirement for the Series 2024A Senior Bonds, as provided in the Senior Indenture if so issued.

“*Resolution*” means this Resolution, which authorizes the issuance of the Bonds.

“*Sale Delegate*” means the [President] of the District.

“*Series 2024A Senior Bonds*” means the District’s Limited Tax General Obligation Refunding Bonds, Series 2024A, dated their date of delivery.

“*Series 2024B Subordinate Bonds*” means the District’s Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B, dated their date of delivery.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Certificate*” means the Tax Compliance Certificate of the District in a form approved by bond counsel to the District governing issues relating to the Bonds under the Code.

“*Underwriter*” means Piper Sandler & Co., of Denver, Colorado, the original purchaser of the Bonds.

**Section 2. Approval and Authorization of Financing Documents.** The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President of the District, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and the certificated Bond forms and to affix the seal of the District thereto, and the President of the District, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the refunding of the Refunded Bonds, including to authorize the payment of net proceeds of the Bonds after payment of the Underwriter’s discount in accordance with the Bond Purchase Agreement, for costs of issuance of the Bonds (including the premiums for the Bond Insurance Policy, if any, and the Reserve Policy, if any) and, to fund all or any portion of any required Reserve Fund and to fund a portion of interest on the Series 2024A Senior Bonds, in addition to any other uses that may be contemplated by the Senior Indenture, the Subordinate Indenture and the Escrow Agreement, and including any agreement required by the Bond Insurer to be entered into with respect to the Reserve Policy (if any). The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer(s) of the District executing the same in order to carry out the purposes of this Resolution, including to incorporate provisions required by the Bond Insurer in connection with the Bond Insurance Policy, if any, and the Reserve Policy, if any, with respect to the Insured Bonds, subject in all cases to the limitations of Section 5 hereof, such approval to

be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President of the District, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization of Bonds.** In accordance with the Constitution of the State; the Act; the Supplemental Act; the Elections; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes of refunding the Refunded Bonds, paying costs of issuance of the Bonds (including the premiums for the Bond Insurance Policy, if any, and the Reserve Policy, if any) and providing for, if necessary, from the proceeds of the Series 2024A Senior Bonds, the funding of all or any portion of any required Reserve Fund (if not funded by a deposit of the Reserve Policy), all as further provided in the Senior Indenture and the Subordinate Indenture. The Series 2024A Senior Bonds shall constitute limited tax general obligations of the District and the Series 2024B Subordinate Bonds shall constitute subordinate limited tax general obligations of the District as provided in the Senior Indenture and the Subordinate Indenture, respectively, secured by the respective Trust Estates as defined and more particularly provided therein.

**Section 4. Bond Details.** The Series 2024A Senior Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Bond Purchase Agreement and dated the date of delivery of the Series 2024A Senior Bonds. The Series 2024B Subordinate Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Bond Purchase Agreement and dated the date of delivery of the Series 2024B Subordinate Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Bond Purchase Agreement, the Senior Indenture and/or the Subordinate Indenture, as applicable. The Bonds shall be issued in Authorized Denominations (as defined in the Senior Indenture and the Subordinate Indenture, as applicable), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Senior Indenture and the Subordinate Indenture.



## **Section 5. Delegation and Parameters.**

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, and are not inconsistent with the Act, the Supplemental Act or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to execute the Bond Purchase Agreement in accordance with such determinations. Upon the execution of the Bond Purchase Agreement, the Senior Indenture and the Subordinate Indenture, the matters described in (i) and (ii) above and set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

(i) the rates of interest on the Bonds;

(ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Series 2024A Senior Bonds subject to mandatory sinking fund redemption (if any) and the years in which such Series 2024A Senior Bonds will be subject to such redemption;

(iii) the prices at which the Bonds will be sold;

(iv) the principal amounts of the Bonds;

(v) the dates on which principal and interest shall be paid;

(vi) the amount of principal maturing in any particular year;

(vii) the identity of the Bond Insurer (if any), identification of the Insured Bonds (if any) and any terms and provisions in the Financing Documents required by the Bond Insurer (if any) in order to provide the Bond Insurance Policy (if any) and/or the Reserve Policy (if any); and

(viii) the existence and amount of any capitalized interest or reserve funds.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Bond Purchase Agreement after the date that is 180 days after the date of adoption of this Resolution and in no event may the Bonds be issued after such date, absent further authorization by the Board;

(ii) the final maturity date of the Bonds shall not be later than [December 15, 2054];

(iii) the aggregate principal amount of the Series 2024A Senior Bonds shall not exceed \$54,000,000;

(iv) the aggregate principal amount of the Series 2024B Subordinate Bonds shall not exceed \$24,500,000;

(v) the net effective interest rate borne by the Series 2024A Senior Bonds shall not exceed [\_\_\_\_]%;

(vi) the interest rate borne by the Series 2024B Subordinate Bonds shall not exceed [\_\_\_\_]%;

(vii) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed; and

(viii) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Elections.

**Section 6. Redemption of Refunded Bonds.** The Board hereby finds, determines and declares its intent to redeem the Refunded Bonds on the earliest practicable date, subject to the availability of funding therefor, and that, in accordance with Title 32, Article 1, Parts 11 and 13, C.R.S., the Bonds are incurred for the purpose of reducing interest costs or effecting other economies and modifying or eliminating restrictive contractual limitations relating to the incurring of additional indebtedness. To the extent not applied to payment of the Refunded Bonds on the date of issuance of the Bonds, proceeds of the Bonds shall be transferred to the Escrow Account established under the Escrow Agreement, or to the trustee for the applicable Refunded Bonds to be held under the applicable indenture of trust. Such moneys shall be held pursuant to the terms of the Escrow Agreement (or the applicable indenture of trust) solely for the benefit of the holders of the applicable Refunded Bonds. The officers of the District are hereby authorized to take such actions as are necessary to effect the redemption and payment in full of the Refunded Bonds in accordance with the provisions of the Refunded Bonds Indentures, including but not limited to the provision of instructions to the Trustee or paying agent therefor to call such Refunded Bonds for redemption. Any actions previously taken by officers of the Board in furtherance of refunding the Refunded Bonds are hereby ratified and approved.

**Section 7. Permitted Amendments to Bond Resolution.** Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Senior Indenture and the

Subordinate Indenture, respectively, as provided in the Senior Indenture and the Subordinate Indenture.

**Section 8. Appointment of District Representatives.** The [President] of the District is hereby appointed as a District Representative, as defined in the Senior Indenture and the Subordinate Indenture. A different or additional District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

**Section 9. Disposition and Investment of Proceeds; Tax Covenants.** The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Senior Indenture and the Subordinate Indenture, as applicable). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

**Section 10. Authorization of Bond Insurance.** The Underwriter may request, on behalf of the District, the submittal of bids to issue the Bond Insurance Policy and/or the Reserve Policy. In the event that the Sale Delegate determines, based in part upon information provided by the Underwriter, that the premium bid for issuance of the Bond Insurance Policy and/or the Reserve Policy is less than the interest cost savings to be realized by the District as a result of the issuance of the Bond Insurance Policy and/or the Reserve Policy, the Board hereby delegates to the Sale Delegate the authority to determine whether the Series 2024A Senior Bonds will be secured by the Bond Insurance Policy and/or the Reserve Policy, to designate the Bond Insurer (provided that the Bond Insurer shall be listed in *The Bond Buyer's Municipal Marketplace Directory—[Fall 2021]*, published by Accuity) and to determine the terms of the Commitment. Provided that the Sale Delegate determines that the District shall enter into the Commitment, the officers of the District are also hereby authorized and directed to take all actions necessary to cause the Bond Insurer to issue the Bond Insurance Policy and/or the Reserve Policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith and entering into any authorizing agreement and undertaking any obligations not inconsistent herewith necessary to cause the issuance of the Bond Insurance Policy and/or the Reserve Policy. Provided that if the Sale Delegate determines that the District shall enter into the Commitment, the execution of the Commitment by the Sale Delegate or appropriate officer of the District is hereby authorized.

**Section 11. Post-Issuance Tax Compliance Policy.** The Board hereby reaffirms the Post-Issuance Tax Compliance Policy previously adopted by the Board on May 19, 2018.

**Section 12. Costs and Expenses.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 13. Limited Offering Memorandum.** The completion of a Preliminary Limited Offering Memorandum (a preliminary form of the Limited Offering Memorandum, a draft of which has been presented to the Board) and its use and distribution in connection with the sale of the Bonds is hereby authorized and approved. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Limited Offering Memorandum if deemed necessary by the Underwriter in connection with its marketing of the Bonds. The Board also hereby authorizes the preparation and distribution of a final Limited Offering Memorandum. During the underwriting period, both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum shall be corrected, supplemented and updated, to the extent required, so that, as of their respective dates, they will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President of the District is hereby authorized to execute copies of the Limited Offering Memorandum on behalf of the District.

**Section 14. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Senior Indenture and the Subordinate Indenture, respectively, shall be governed by Section 11-57-208 C.R.S., this Resolution, the Senior Indenture and the Subordinate Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein and in the Senior Indenture and the Subordinate Indenture shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

**Section 15. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209, C.R.S., if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

**Section 16. Conclusive Recital.** Pursuant to Section 11-57-210, C.R.S., the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

**Section 17. Limitation of Actions.** Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty (30) days after the authorization of such securities.

**Section 18. Ratification and Approval of Prior Actions.** All actions heretofore taken by the consultants to or officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds and the refunding of the Refunded Bonds, or the execution of any documents in connection with the Bonds and the refunding of the Refunded Bonds, are hereby ratified, approved, and confirmed.

**Section 19. Resolution Irrepealable.** After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners of the Bonds and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Senior Indenture and the Subordinate Indenture.

**Section 20. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 21. Severability.** If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

**Section 22. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

**Section 23. Electronic Signatures.** Any individual or individuals who are authorized to execute or consent to this Resolution on behalf of the District are hereby authorized to execute this Resolution and any other Financing Document electronically pursuant to Article 71.3 of Title 24, C.R.S., also known as the “Uniform Electronic Transactions Act.” Any electronic signature so affixed to this Resolution shall carry the full legal force and effect of any original, handwritten signature.

**Section 24. Confirmation of Seal; Electronic Production and Reproduction.** The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document (including this Resolution, the Bonds and any Financing Document) to “affix” the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use for

the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

ADOPTED AND APPROVED this 9<sup>th</sup> day of October, 2024.

(S E A L)

CROWFOOT VALLEY RANCH  
METROPOLITAN DISTRICT NO. 2, IN  
DOUGLAS COUNTY, COLORADO

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President

ATTESTED:

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Secretary or Assistant Secretary