



ICENOGLE SEAVER POGUE

February 29, 2024

Moses Garcia, Esq.
City of Loveland
500 East 3rd Street, Suite 330
Loveland, Colorado 80537
(Via Email:
Stephanie.Cardew@cityofloveland.org)

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
(Via E-Portal)

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203
(Via E-Portal)

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via E-Mail: recording@larimer.org)

Re: Annual Report for South Village Metropolitan District Nos. 1 & 2

To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2023 Annual Report for South Village Metropolitan District Nos. 1 & 2.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Hannah Pogue
Legal Assistant

SOUTH VILLAGE METROPOLITAN DISTRICT NOS. 1 AND 2

2023 ANNUAL REPORT TO THE CITY OF LOVELAND

Pursuant to the Consolidated Service Plan (“Service Plan”) for South Village Metropolitan District Nos. 1 and 2 (individually, “District No. 1” and “District No. 2;” collectively, the “Districts”), the Districts are required to provide an annual report to the City of Loveland (the “City”) with regard to the following matters that occurred during calendar year 2023.

In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report for the preceding calendar to the City, the Division of Local Government, the state auditor, and the Larimer County Clerk and Recorder. The Districts hereby submit this annual report to satisfy the above requirements for the year 2023.

I. SERVICE PLAN ANNUAL REPORT REQUIREMENTS.

For the year ending December 31, 2023, the Districts make the following report pursuant to its Service Plan:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed for the Districts in 2023.

B. Copies of all intergovernmental agreements with other governmental bodies entered into or proposed to be entered into, including amendments.

The Districts did not enter into or propose to enter into any intergovernmental agreements in 2023.

C. Changes or proposed changes in the Districts’ policies.

The District adopted a Resolution Adopting and Approving a First Amendment to the Public Records Policy Regarding the Inspection, Retention, and Disposal of Public Records on October 24, 2023.

D. Changes or proposed changes in the Districts’ operations.

There were no changes or proposed changes in the Districts’ operations in 2023.

E. Any changes in the financial status of the Districts, including revenue projections or operating costs.

Revenue and operating costs for fiscal year 2023 and projected revenue and operating costs for fiscal year 2024 are reflected in the Districts' 2024 Budget Resolutions are attached hereto as **Exhibit A**.

F. A summary of any litigation which involves the Districts.

There was no litigation involving the Districts in 2023.

G. Proposed plans for the year immediately following the year summarized in the annual report.

Public improvement construction is scheduled to commence in 2024 pending acquisition of right of way and slope easements.

H. Construction contracts entered into.

The Districts did not enter into any construction contracts in 2023.

I. Status of the Districts' public improvement construction schedule.

No public improvements were constructed in 2023.

J. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City.

No facilities or improvements were dedicated to or accepted by the City in 2023.

K. Summary of Financial Information.

1. Assessed value of taxable property within the Districts' Boundaries.

Pursuant to the certifications of valuation received from the Larimer County Assessor, the Districts' net total taxable assessed valuations for taxable year 2023 are as follows:

District No. 1: \$ 8,914

District No. 2: \$ 7,313

2. Total acreage of property within the Districts' Boundaries.

District No. 1: 22.035 acres

District No. 2: 48.351 acres

3. Audited financial statements of the Districts, to the extent audit financial statements are required by state law

As of the date of filing this annual report, the 2023 audit and/or applications for exemption from audit for the Districts are not yet available. Copies of said audit-related documents for the Districts will be submitted upon completion.

4. Annual budget of the Districts.

The Districts' annual budgets for fiscal year 2024 are attached hereto as **Exhibit A**.

5. Resolutions Regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.

The Districts have not issued any Debt, as that term is defined by the Service Plan. District No. 1 has entered into reimbursement agreements with the developer, which are summarized as follows:

2022 Funding and Reimbursement Agreement. On January 31, 2022, District No. 1 and South Village, LLC ("SV") entered into a 2022 Funding and Reimbursement Agreement relating to the funding and repayment of the operating and maintenance costs and general operating expenses of the Districts (the "O&M Agreement") and, in connection therewith, the District issued a subordinate promissory note to the District dated January 31, 2022 (the "Original O&M Note") to evidence the District's repayment obligation to SV.

On October 24, 2022, District No. 1 and SV entered into a First Amendment to the O&M Agreement to increase the maximum advances to be made by SV to District No. 1 and extend the funding obligation term through December 31, 2023. In connection with the First Amendment, District No. 1 refunded the Original O&M Note and issued a new subordinate note to SV dated October 24, 2022 with a maturity date of January 30, 2062 (the "2022 O&M Note"). District No. 1's obligation to repay the 2022 O&M Note is subject to annual appropriation by the District.

On October 24, 2023, District No. 1 and SV entered into a Second Amendment to the O&M Agreement to increase the maximum advances to be made by SV to District No. 1 and extend the funding obligation term through December 31, 2024. In connection with the Second Amendment, District No. 1 refunded the 2022 O&M Note and issued a new subordinate note to SV dated October 24, 2023 with a maturity date of January 30, 2062 (the "2023 O&M Note"). District No. 1's obligation to repay the 2023 O&M Note is subject to annual appropriation by the District. The resolution approving the Second Amendment to the O&M Agreement is attached hereto as **Exhibit B-1**.

Improvement Acquisition, Advance and Reimbursement Agreement. On January 31, 2022, the District and SV entered into an Improvement Acquisition, Advance and Reimbursement Agreement relating to the funding and repayment of the organization costs and the costs associated with the acquisition and construction of

Improvements (the “Capital Agreement”), and, in connection therewith, the District issued a subordinate promissory note to SV dated January 31, 2022 (the “Original Capital Note”) to evidence the District’s repayment obligation to SV.

On October 24, 2022, District No. 1 and SV entered into a First Amendment to the Capital Agreement to increase the maximum advances to be made by SV to District No. 1 and extend the funding obligation term through December 31, 2023. In connection with the First Amendment, District No. 1 refunded the Original Capital Note and issued a new subordinate note to SV dated October 24, 2022 with a maturity date of January 30, 2062 (the “2022 Capital Note”). District No. 1’s obligation to repay the 2022 Capital Note is subject to annual appropriation by the District.

On October 24, 2023, District No. 1 and SV entered into a Second Amendment to the Capital Agreement to extend the funding obligation term through December 31, 2024. The resolution approving the Second Amendment to the Capital Agreement is attached hereto as **Exhibit B-2**.

6. The Districts’ Debt (stated separately for each class of Debt).

The Districts have not issued any Debt, as that term is defined by the Service Plan.

7. The Districts’ Debt Service for fiscal year 2024.

District No. 1: None
District No. 2: None

Unaudited financial statements for 2023 year-end for the Districts are unavailable at the time of submission of this annual report. The amounts reported in Items I. K.8 through I.K.11 below are 2023 Projected Actual amounts reported in the 2024 Districts’ budgets, attached hereto as Exhibit A.

8. The Districts’ tax revenue (includes property tax and specific ownership taxes) for fiscal year 2023.

District No. 1 – Property Tax: \$0
District No. 1 – Specific Ownership Taxes: \$0

District No. 2 – Property Tax: \$0
District No. 2 – Specific Ownership Taxes: \$0

9. Other revenues of the Districts for fiscal year 2023.

District No. 1: \$70,000
District No. 2: \$0

10. The Districts' public improvement expenditures for fiscal year 2023.

District No. 1: \$0
District No. 2: \$0

11. Other Districts' expenditures for fiscal year 2023.

District No. 1: \$66,060
District No. 2: \$0

II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(c), C.R.S.) ANNUAL REPORT REQUIREMENTS

(a) Boundary changes made.

See Section A. above.

(b) Intergovernmental agreements entered into or terminated with other governmental entities.

See Section B. above.

(c) Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the Districts please contact the Districts' manager:

Shannon Randazzo, District Manager
Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537
Phone: (970) 669-3611
shannonr@pcgi.com

(d) A summary of litigation involving public improvements owned by the special district.

See Section F. above.

(e) The status of the construction of public improvements by the special district.

See Section I. above.

(f) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

See Section J. above.

(g) The final assessed valuation of the special district as of December 31 of the reporting year.

See Section K.1. above.

(h) A copy of the current year's budget.

Copies of the Districts' 2024 Budgets are attached hereto as **Exhibit A**.

(i) A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

See Section K.3. above.

(j) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

As of December 31, 2023, the Districts did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

(k) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

As of December 31, 2023, the Districts have paid all of their financial obligations as they became due in 2023.

EXHIBIT A

**2024 ADOPTED BUDGETS
FOR SOUTH VILLAGE METROPOLITAN DISTRICTS NOS. 1 AND 2**

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2024

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
SOUTH VILLAGE)
METROPOLITAN)
DISTRICT NO. 1)

The Board of Directors of the South Village Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Teams Tuesday, October 24, 2023, at 3:00 P.M.

The following members of the Board of Directors were present:

Robert Quinette, President & Chairperson
Michael Blumenthal, Treasurer

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.
Shannon Randazzo, Kieyesia Conaway, Amanda Castle, and Wendy McFarland;
Pinnacle Consulting Group, Inc.

Ms. Randazzo stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Quinette opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Quinette moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

WHEREAS, the Board of Directors of the South Village Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 11, 2023, in the Loveland Reporter-Harold, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 24, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2024 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2024 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2024. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the South Village Metropolitan District No. 1 for calendar year 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$0.00. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$8,914.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2023 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the South Village Metropolitan District 1,
 (taxing entity)^A
 the Board of Directors,
 (governing body)^B
 of the South Village Metropolitan District 1,
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 8,914 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 8,914 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/10/2024 for budget/fiscal year 2024.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	<u>\$ 0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: Amanda Castle Phone: (970)-669-3611
 Signed: Amanda Kae Castle Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Quinette, President of the District, and made a part of the public records of South Village Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Blumenthal.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 24th day of October, 2023.

DocuSigned by:
Robert Guinette
867D749C199C488...

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
SOUTH VILLAGE)
METROPOLITAN)
DISTRICT NO. 1)

I, Michael Blumenthal, Treasurer to the Board of Directors of the South Village Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Teams on Tuesday, October 24, 2023, at 3:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 24th day of October, 2023.

DocuSigned by:
MICHAEL BLUMENTHAL
5C188ECB242E445...



Management Budget Report

BOARD OF DIRECTORS
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in black ink that reads "Amanda Kae Casteu". The signature is written in a cursive, flowing style.

Pinnacle Consulting Group, Inc.
January 31, 2024

SOUTH VILLAGE METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Budget	Budget
Revenues				
Operating Advances	\$ 53,308	\$ 70,000	\$ 70,000	\$ 70,000
Total Revenues	\$ 53,308	\$ 70,000	\$ 70,000	\$ 70,000
Expenditures				
Accounting and Finance	\$ 3,080	\$ 18,500	\$ 18,500	\$ 21,600
District Management	13,370	32,500	32,500	32,700
Election	-	1,500	1,500	-
District Engineer		500	500	500
Insurance	-	560	560	590
Legal	34,842	10,000	10,000	10,000
Office, Dues, Newsletters & Other	463	1,500	1,500	1,575
District Website	-	-	-	1,166
Contingency	-	1,000	1,000	1,000
Total Expenditures	\$ 51,755	\$ 66,060	\$ 66,060	\$ 69,131
Revenues Over/(Under) Expenditures	\$ 1,553	\$ 3,940	\$ 3,940	\$ 869
Beginning Fund Balance	\$ -	\$ 3,053	\$ 3,053	\$ 6,993
Ending Fund Balance	\$ 1,553	\$ 6,993	\$ 6,993	\$ 7,862
Components of Ending Fund Balance				
TABOR Reserve	\$ 1,599	\$ 2,100	\$ 2,100	\$ 2,100
Operating Reserve	-	16,515	16,515	17,283
Unreserved	-	(11,622)	(11,622)	(11,521)
TOTAL ENDING FUND BALANCE	\$ 1,599	\$ 6,993	\$ 6,993	\$ 7,862

Modified Accrual Budgetary Basis

SOUTH VILLAGE METROPOLITAN DISTRICT				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL FUND				
	(a)	(b)	(c)	(d)
CAPITAL FUND	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Note Proceeds	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Developer Advances	-	2,000,000	-	2,000,000
Interest Income/Other	-	5,000	-	5,000
Total Revenues	\$ -	\$ 12,005,000	\$ -	\$ 12,005,000
Expenditures				
Capital Acceptance	\$ -	\$ 12,000,000	\$ -	\$ 12,000,000
Contingency	-	5,000	-	5,000
Total Expenditures	\$ -	\$ 12,005,000	\$ -	\$ 12,005,000
Revenues over/(under) Expend	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

Modified Accrual Budgetary Basis

SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1

2024 BUDGET MESSAGE

South Village Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in 2021. The District was established in the City of Loveland, Colorado consisting of approximately 22 acres. The District was organized to provide financing for the acquisition, construction and installation of public improvements including, but not limited to, potable and non-potable water, wastewater systems, storm drainage, streets and roadway landscaping, signage and signals; park and recreation improvements, mosquito and pest control, security services, covenant enforcement and design review, fire protection and emergency services, and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2024 budget, the following goals are foremost for the District:

- To provide the level of services as desired by the property owners and residents of the District in the most economic manner possible.

Overview

Highlights of the 2024 budget include the following:

- The District was formed in 2021.
- The District will be funded through operating and capital advances in 2024.

General Fund

Revenue

The District's primary source of general fund revenue 2024 are operating advances of \$70,000.

Expenses

The District's General Fund expenditures consist of administrative and operations costs of \$69,131. Major expenses consist of Accounting and District Management at \$21,600 and \$32,700, respectively, and Legal costs of \$10,000.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR. It is anticipated the District will end the 2024 fiscal year with \$7,862 in General fund balance.

Capital Projects Fund

Revenues

The budgeted sources of revenues in 2024 in the District's Capital Projects Fund are note proceeds of \$10,000,000, developer advances of \$2,000,000 and interest and other income of \$5,000.

Expenditures

The District's expenditures in 2024 are attributable to planned capital outlay in the amount of \$12,000,000 and contingency of \$5,000.

Fund Balance/Reserves

The anticipated ending fund balance for the Capital Projects Fund is \$0.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **402 - SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1**

IN LARIMER COUNTY ON 12/20/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,379
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$8,914
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$8,914
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$31,460
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2024

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
SOUTH VILLAGE)
METROPOLITAN)
DISTRICT NO. 2)

The Board of Directors of the South Village Metropolitan District No. 2, Larimer County, Colorado, held a meeting via Teams Tuesday, October 24, 2023, at 3:00 P.M.

The following members of the Board of Directors were present:

Robert Quinette, President & Chairperson
Michael Blumenthal, Treasurer

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.
Shannon Randazzo, Kieyesia Conaway, Amanda Castle, and Wendy McFarland;
Pinnacle Consulting Group, Inc.

Ms. Randazzo stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Quinette opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Quinette moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

WHEREAS, the Board of Directors of the South Village Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 11, 2023, in the Loveland Reporter-Harold, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 24, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2 OF LARIMER COUNTY, COLORADO:

Section 1. 2024 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2024 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2024. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the South Village Metropolitan District No. 2 for calendar year 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$0.00. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$7,313.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2023 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Quinette, President of the District, and made a part of the public records of South Village Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Blumenthal.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 24th day of October, 2023.

DocuSigned by:
Robert Guinette
867D749C199C488...

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
SOUTH VILLAGE)
METROPOLITAN)
DISTRICT NO. 2)

I, Michael Blumenthal, Treasurer to the Board of Directors of the South Village Metropolitan District No. 2, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Teams on Tuesday, October 2, 2023, at 3:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 24th day of October, 2023.

DocuSigned by:
MICHAEL BLUMENTHAL
5C188ECB242E445...



Management Budget Report

BOARD OF DIRECTORS
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in black ink that reads "Amanda Kae Casteel". The signature is written in a cursive, flowing style.

Pinnacle Consulting Group, Inc.
January 31, 2024

SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Budget	Budget
Revenues				
Operating Advances	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Accounting and Finance	\$ -	\$ -	\$ -	\$ -
District Management	-	-	-	-
Election	-	-	-	-
District Engineer	-	-	-	-
Insurance	-	-	-	-
Legal	-	-	-	-
Office, Dues, Newsletters & Other	-	-	-	-
District Website	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Components of Ending Fund Balance				
TABOR Reserve	\$ -	\$ -	\$ -	\$ -
Operating Reserve	-	-	-	-
Unreserved	-	-	-	-
TOTAL ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2

2024 BUDGET MESSAGE

South Village Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in 2021. The District was established in the City of Loveland, Colorado consisting of approximately 48.3 acres. The District was organized to provide financing for the acquisition, construction and installation of public improvements including, but not limited to, potable and non-potable water, wastewater systems, storm drainage, streets and roadway landscaping, signage and signals; park and recreation improvements, mosquito and pest control, security services, covenant enforcement and design review, fire protection and emergency services, and to provide the operation and maintenance of these improvements.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

Overview

Highlights of the 2024 budget include the following:

- The District has no operating revenue and expenses budgeted for the 2024 calendar year.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **403 - SOUTH VILLAGE METROPOLITAN DISTRICT NO. 2**

IN LARIMER COUNTY ON 12/20/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,382
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$7,313
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,313
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$27,700
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

EXHIBIT B-1

**RESOLUTION APPROVING THE SECOND AMENDMENT TO THE O&M
AGREEMENT**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1**

A RESOLUTION APPROVING THE SECOND AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT, AND IN CONNECTION THEREWITH, AUTHORIZING THE REFUNDING OF A SUBORDINATE NOTE AND THE ISSUANCE OF A NEW SUBORDINATE NOTE TO SOUTH VILLAGE LLC, TO EVIDENCE THE DISTRICT'S REPAYMENT OBLIGATION OF OPERATION COSTS

WHEREAS, on January 31, 2022, South Village Metropolitan District No. 1 (the "District") and South Village, LLC ("SV") entered into a 2022 Funding and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Operation Costs (the "2022 Agreement") as amended by that First Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2022 (the "First Amendment", together with the 2022 Agreement, the "Agreement"); and

WHEREAS, in connection with the First Amendment, the District issued a subordinate promissory note to the District dated October 24, 2022 (the "2022 Note") to evidence the District's repayment obligation to SV; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, Paragraph 1 of the Agreement provided for SV to advance funds to the District through the Funding Obligation Term of December 31, 2023 in an amount not to exceed the Maximum Principal Amount of \$110,000; and

WHEREAS, the District had determined that it will require additional funds for fiscal year 2023 and through 2024 to pay for Operation Costs in an amount not to exceed \$225,000, which amount includes all funds advanced to date to the District by SV pursuant to the Agreement; and

WHEREAS, SV is willing to advance additional funds to the District through fiscal year 2024, subject to the terms of the Agreement and the Second Amendment (as defined herein); and

WHEREAS, pursuant to Paragraph 11 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and SV; and

WHEREAS, the Parties have negotiated, and desire to enter into, a "Second Amendment to 2022 Funding and Reimbursement Agreement," as attached hereto as **Exhibit A** and incorporated herein by this reference (the "Second Amendment"), to increase the Maximum Principal Amount and to extend the Funding Obligation Term; and

WHEREAS, pursuant to Paragraph 5.A. of the Agreement, in the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the District agrees to refund the existing Subordinate Note and issue a new Subordinate Note to SV in an amount not

to exceed the amended Maximum Principal Amount, with the same Maturity Date, and subject to the same terms as provided in the Agreement and as may be subsequently amended; and

WHEREAS, the District desires to refund the 2022 Note and issue a new Subordinate Note to SV, as attached hereto as **Exhibit B** and incorporated herein by reference (the “2023 Note”) in an amount not to exceed the amended Maximum Principal Amount set forth in Paragraph 1 of the Second Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1 AS FOLLOWS:

1. The Board of Directors (the “Board”) hereby approves the Second Amendment, as attached hereto as **Exhibit A**, and authorizes the Board’s President to execute the same.
2. The Board hereby approves the refunding of the 2022 Note and the issuance of the 2023 Note, as attached hereto as **Exhibit B**, and authorizes the Board’s President to execute the same.
3. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Page Follows.)

ADOPTED AND APPROVED THIS 24th DAY OF OCTOBER, 2023.

**SOUTH VILLAGE METROPOLITAN DISTRICT
NO. 1**

DocuSigned by:

84D803DD-20AC-466E-B57F-A9C0658D3216

By: Robert Quinette, President

EXHIBIT A
(To Resolution)

SECOND AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT

SECOND AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT (Operation Costs)

This SECOND AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT (the "Second Amendment") is made and entered into as of the 24TH day of October, 2023 (the "Effective Date"), by and between SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and SOUTH VILLAGE, LLC, a Colorado limited liability company ("SV"), (collectively, the "Parties").

RECITALS

WHEREAS, on January 31, 2022, the District and SV entered into a 2022 Funding and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Operation Costs (the "2022 Agreement") as amended by that First Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2022 (the "First Amendment", together with the 2022 Agreement, the "Agreement"); and

WHEREAS, in connection with the First Amendment, the District issued a subordinate promissory note to the District dated October 24, 2022 (the "2022 Note") to evidence the District's repayment obligation to SV; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, Paragraph 1 of the Agreement provided for SV to advance funds to the District through the Funding Obligation Term of December 31, 2023 in an amount not to exceed the Maximum Principal Amount of \$110,000; and

WHEREAS, the District had determined that it will require additional funds for fiscal year 2023 and through 2024 to pay for Operation Costs in an amount not to exceed \$225,000, which amount includes all funds advanced to date to the District by SV pursuant to the Agreement; and

WHEREAS, SV is willing to advance additional funds to the District through fiscal year 2024, subject to the terms of the Agreement and this Second Amendment; and

WHEREAS, pursuant to Paragraph 11 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and SV; and

WHEREAS, the Parties have negotiated, and desire to enter into, this Second Amendment to increase the Maximum Principal Amount and to extend the Funding Obligation Term; and

WHEREAS, pursuant to Paragraph 5.A. of the Agreement, in the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the District agrees to refund the existing Subordinate Note and issue a new Subordinate Note to SV in an amount not

to exceed the amended Maximum Principal Amount, with the same Maturity Date, and subject to the same terms as provided in the Agreement and as may be subsequently amended; and

WHEREAS, the District desires to refund the 2022 Note and issue a new Subordinate Note to SV in an amount not to exceed the amended Maximum Principal Amount set forth in Paragraph 1 of this Second Amendment.

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the District and SV agree to amend the Agreement as follows:

COVENANTS AND AGREEMENTS

1. The Parties hereby amend and restate Paragraph 1 of the Agreement in its entirety as follows:

1. Advance Amount and Term. SV hereby agrees to advance funds or expend funds on behalf of the District in one or more installments, provided that in no event shall the total amount that SV shall advance to the District or expend on behalf of the District, exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000), (the "Maximum Principal Amount"). The Maximum Principal Amount constitutes the maximum amount that may be advanced or expended hereunder, notwithstanding any payment or prepayment of any portion of the funds advanced or expended pursuant to the terms hereof, unless this Agreement is further supplemented or amended. Advanced funds shall be available to the District in one or a series of installments through December 31, 2024, which period shall constitute the "Funding Obligation Term" of the Agreement, as amended. The District's repayment obligation shall survive the Funding Obligation Term until SV is repaid in full, provided that the District's repayment obligation shall terminate on the date Maturity Date, even if any portion of the Maximum Principal Amount remains outstanding.

2. Issuance of Subordinate Note. Pursuant to Paragraph 5.A. of the Agreement and as of the Effective Date of this First Amendment, the District shall refund the 2022 Note and issue a new Subordinate Note to SV, in similar form as attached hereto as **Exhibit A** (the "2023 Note"), in an amount not to exceed the amended Maximum Principal Amount set forth in Paragraph 1 of this Second Amendment, subject to the same issuance and repayment terms as provided in the Agreement. The new Subordinate Note issued by the District shall reflect all outstanding principal on the 2022 Note.

3. Subject to Annual Appropriations. The District does not intend to create hereunder a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The District's repayment obligations set forth herein, as may be subsequently amended, and as further evidenced on the Subordinate Note issued by the District to SV pursuant to the terms of this Second Amendment, are subject to annual appropriation of funds by the District.

4. Severability. If any clause or provision of this Second Amendment is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Second Amendment as a whole, but shall be severed herefrom, leaving the remaining clauses and provisions of the Second Amendment intact and enforceable.

5. Entire Agreement. Except as otherwise provided herein, the terms and provisions of the Agreement shall remain in valid and in full force and effect. The Agreement, this Second Amendment and the 2023 Note issued hereunder constitute and represent the entire, integrated agreement between the District and SV with respect to the matters set forth herein and therein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Second Amendment shall become effective upon the Effective Date.

6. Counterparts. This Second Amendment may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

[Signature pages follow.]

IN WITNESS WHEREOF, the District and SV have executed this Second Amendment, effective as of the Effective Date.

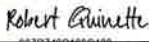
**SOUTH VILLAGE METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

DocuSigned by:

867D749C199C488

By: Robert Quinette, President

SOUTH VILLAGE, LLC,
a Colorado limited liability company

DocuSigned by:

5070749019950400

By: Robert Quinette, Manager

Signature Page to South Village Second Amendment to 2022 Funding and Reimbursement Agreement

EXHIBIT A
(To Second Amendment to 2022 Funding and Reimbursement Agreement)

FORM OF PROMISSORY NOTE

SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to Two Hundred Twenty-Five Thousand Dollars
(\$225,000)

INTEREST RATE: No Interest

DATED: October 24, 2023

REGISTERED OWNER: SOUTH VILLAGE, LLC (“SV”)

MATURITY DATE: January 30, 2062

South Village Metropolitan District No. 1 (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto), in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty. This Note will be paid in full, from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to SV pursuant to that certain 2022 Funding and Reimbursement Agreement entered into between the District and SV, dated January 31, 2022, as amended by that First Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2022 and that Second Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2023 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to SV. This note refunds the 2022 Note (as defined in the Agreement) and shall have a beginning balance equal to the outstanding balance of the 2022 Note as of the date of issuance.

Pursuant to the Agreement, the District is obligated to repay the principal amount of this Note, from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and Paragraph 5.C. of the Agreement, and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein. In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.*

Failure by the District to repay SV as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by SV, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal due on the Note shall not cause or permit acceleration thereof.

Upon each advance to or expenditure made on behalf of the District by SV pursuant to the Agreement, the District shall indicate on Schedule "A" of this Note: (i) the amount of funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; and (iii) the total funds advanced and expended to date. Any payments made on the Note by the District shall also be evidenced on Schedule "A" attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR LARIMER COUNTY, COLORADO. SV SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR LARIMER COUNTY TO PAY THIS NOTE, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If SV enforces this

Note upon default, the District shall pay or reimburse SV for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than SV.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by SV in connection therewith), the District shall issue a new promissory note to SV that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, SV acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

(Signature Page Follows.)

IN WITNESS WHEREOF, the District has caused this Note to be executed in its name and on its behalf by its President, with an imprint of its seal affixed hereon.

**SOUTH VILLAGE METROPOLITAN
DISTRICT NO. 1**

(S E A L)

EXHIBIT FORM – DO NOT SIGN

By: _____

Its: _____

SCHEDULE A

EXHIBIT B
(To Resolution)

SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to Two Hundred Twenty-Five Thousand Dollars
(\$225,000)

INTEREST RATE: No Interest

DATED: October 24, 2023

REGISTERED OWNER: SOUTH VILLAGE, LLC (“SV”)

MATURITY DATE: January 30, 2062

South Village Metropolitan District No. 1 (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto), in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty. This Note will be paid in full, from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to SV pursuant to that certain 2022 Funding and Reimbursement Agreement entered into between the District and SV, dated January 31, 2022, as amended by that First Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2022 and that Second Amendment to 2022 Funding and Reimbursement Agreement dated October 24, 2023 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to SV. This note refunds the 2022 Note (as defined in the Agreement) and shall have a beginning balance equal to the outstanding balance of the 2022 Note as of the date of issuance.

Pursuant to the Agreement, the District is obligated to repay the principal amount of this Note, from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and Paragraph 5.C. of the Agreement, and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein. In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.*

Failure by the District to repay SV as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by SV, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal due on the Note shall not cause or permit acceleration thereof.

Upon each advance to or expenditure made on behalf of the District by SV pursuant to the Agreement, the District shall indicate on Schedule "A" of this Note: (i) the amount of funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; and (iii) the total funds advanced and expended to date. Any payments made on the Note by the District shall also be evidenced on Schedule "A" attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR LARIMER COUNTY, COLORADO. SV SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR LARIMER COUNTY TO PAY THIS NOTE, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR LARIMER COUNTY.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If SV enforces this

Note upon default, the District shall pay or reimburse SV for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than SV.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by SV in connection therewith), the District shall issue a new promissory note to SV that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, SV acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

(Signature Page Follows.)

IN WITNESS WHEREOF, the District has caused this Note to be executed in its name and on its behalf by its President, with an imprint of its seal affixed hereon.

**SOUTH VILLAGE METROPOLITAN DISTRICT
NO. 1**

(SEAL)

DocuSigned by:
Robert Quinette
867D749C199C483

By: Robert Quinette, President



SCHEDULE A

EXHIBIT B-2

**RESOLUTION APPROVING THE SECOND AMENDMENT TO THE CAPITAL
AGREEMENT**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1**

A RESOLUTION APPROVING THE SECOND AMENDMENT TO IMPROVEMENT
ACQUISITION, ADVANCE AND REIMBURSEMENT AGREEMENT

WHEREAS, on January 31, 2022, South Village Metropolitan District No. 1 (the “District”) and South Village, LLC (“SV”) entered into an Improvement Acquisition, Advance and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Organization Costs and costs associated with the acquisition and construction of Improvements (the “2022 Agreement”), as amended by the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement dated October 24, 2022 (the “First Amendment,” together with the 2022 Agreement, the “Agreement”); and

WHEREAS, in connection with the First Amendment, the District issued a subordinate promissory note to SV, dated October 24, 2022, to evidence the District’s repayment obligation to SV; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 5 of the Agreement, SV agreed to advance funds to the District through the Funding Obligation Term of December 31, 2022 in an amount not to exceed the Maximum Principal Amount of \$2,000,000; and

WHEREAS, the District has determined that it will require advances through fiscal year 2024 to pay costs associated with the Organization Costs and acquisition, construction and installation of Public Improvements; and

WHEREAS, SV is willing to advance funds to the District through fiscal year 2024, subject to the terms of the Agreement and the Second Amendment (as defined herein); and

WHEREAS, pursuant to Paragraph 17 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and SV; and

WHEREAS, the Parties have negotiated, and desire to enter into, a “Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement,” as attached hereto as **Exhibit A** and incorporated herein by reference (the “Second Amendment”), to extend the Funding Obligation Term through December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1 AS FOLLOWS:

1. The Board of Directors hereby approves the Second Amendment, as attached hereto as **Exhibit A**, and authorizes the President to execute the same.

(Signature Page Follows.)

ADOPTED AND APPROVED THIS 24TH DAY OF OCTOBER, 2023.

**SOUTH VILLAGE METROPOLITAN
DISTRICT NO. 1**

DocuSigned by:
Robert Quinette
867D749C199C488...

By: Robert Quinette, President

EXHIBIT A
(To Resolution)

**SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND
REIMBURSEMENT AGREEMENT**

**SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND
REIMBURSEMENT AGREEMENT
(Organization and Capital Costs)**

THIS FIRST AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND REIMBURSEMENT AGREEMENT (the “Second Amendment”) is made and entered into as of the 24th day of OCTOBER, 2023 (the “Effective Date”), by and between SOUTH VILLAGE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and SOUTH VILLAGE, LLC, a Colorado limited liability company (“SV”), (collectively, the “Parties”).

RECITALS

WHEREAS, on January 31, 2022, the District and SV entered into an Improvement Acquisition, Advance and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Organization Costs and the costs associated with the acquisition and construction of Improvements (the “2022 Agreement”), as amended by that First Amendment to Improvement acquisition, Advance and Reimbursement Agreement dated October 24, 2022 (the “First Amendment,” together with the 2022 Agreement, the “Agreement”); and

WHEREAS, in connection with the First Amendment, the District issued a subordinate promissory note to SV, dated October 24, 2022, to evidence the District’s repayment obligation to SV; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 5 of the Agreement, SV agreed to advance funds to the District through the Funding Obligation Term of December 31, 2022 in an amount not to exceed the Maximum Principal Amount of \$2,000,000; and

WHEREAS, the District has determined that it will require advances through fiscal year 2024 to pay costs associated with the Organization Costs and acquisition, construction and installation of Public Improvements; and

WHEREAS, SV is willing to advance funds to the District through fiscal year 2024, subject to the terms of the Agreement and this Second Amendment; and

WHEREAS, pursuant to Paragraph 17 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and SV; and

WHEREAS, the Parties have negotiated, and desire to enter into, this Second Amendment to extend the Funding Obligation Term through December 31, 2024.

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the District and SV agree to amend the Agreement as follows:

COVENANTS AND AGREEMENTS

1. The Parties hereby agree to extend the Funding Obligation Term set forth in Paragraph 5 of the Agreement through December 31, 2024.

2. Severability. If any clause or provision of this Second Amendment is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Second Amendment as a whole, but shall be severed herefrom, leaving the remaining clauses and provisions of the Second Amendment intact and enforceable.


3. Entire Agreement. Except as otherwise provided herein, the terms and provisions of the Agreement shall remain in valid and in full force and effect. The Agreement, this Second Amendment and the 2022 Note constitute and represent the entire, integrated agreement between the District and SV with respect to the matters set forth herein and therein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Second t Amendment shall become effective upon the Effective Date.

4. Counterparts. This Second Amendment may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

[Signature pages follows.]

IN WITNESS WHEREOF, the District and SV have executed this Second Amendment, effective as of the Effective Date.

**SOUTH VILLAGE METROPOLITAN DISTRICT
NO. 1**

DocuSigned by:

807D749C199C480...
By: Robert Quinette, President

Signature Page to South Village Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement

SOUTH VILLAGE, LLC,
a Colorado limited liability limited company

DocuSigned by:

867D749C199C488...

By: Robert Quinette, Manager

Signature Page to South Village Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement