

**SOUTH VILLAGE METROPOLITAN DISTRICT NOS. 1 AND 2
2024 ANNUAL ADMINISTRATIVE MATTERS RESOLUTION**

WHEREAS, the Boards of Directors (individually, the “Board;” collectively, the “Boards”) of South Village Metropolitan District Nos. 1 and 2 (individually, the “District;” collectively, the “Districts”) are required to perform certain administrative obligations during each calendar year to comply with certain statutory requirements, as further described below, and to assure the efficient operations of the Districts; and

WHEREAS, the Boards desire to set forth such obligations herein and to designate, where applicable, the appropriate person or person(s) to perform such obligations on behalf of each District; and

WHEREAS, the Boards further desire to acknowledge and ratify herein certain actions and outstanding obligations of each District.

NOW, THEREFORE, THE BOARDS OF DIRECTORS OF SOUTH VILLAGE METROPOLITAN DISTRICT NOS. 1 and 2 HEREBY RESOLVES AS FOLLOWS:

1. Each Board directs the District Manager to prepare and file either an accurate map, as specified by the Colorado Division of Local Government (the “Division”), or a notice that the District’s boundaries have not changed since the filing of the last District map, with the Division, the Larimer County Clerk and Recorder and Larimer County Assessor on or before January 1, 2024, as required by Section 32-1-306, C.R.S.

2. Pursuant to Section 24-32-116(3)(b), C.R.S, each Board directs legal counsel to update the Division with any of the following information previously provided to the Division, in the event such information changes: (i) the official name of the District; (ii) the principal address and mailing address of the District; (iii) the name of the District’s agent; and (iv) the mailing address of the District’s agent.

3. Each Board directs legal counsel to prepare, no more than sixty (60) days prior to and not later than January 15, 2024, the District’s annual transparency notice containing the information set forth in Section 32-1-809(1), C.R.S., and to provide such notice to the eligible electors of the District in one of the manners set forth in Section 32-1-809(2), C.R.S. In addition, legal counsel is directed to file a copy of the notice with the Larimer County Board of County Commissioners, the Larimer County Assessor, the Larimer County Treasurer, the Larimer County Clerk and Recorder’s Office, the City Council of the City of Loveland (“City”), and the Division as set forth in Section 32-1-104(2), C.R.S. A copy of the notice shall be made available for public inspection at the principal business office of the Districts.

4. Each Board directs the District’s accountant to submit a proposed 2025 budget for the District to the Board by October 15, 2024, to schedule a public hearing on the proposed budget, prepare a final budget, and budget resolution, including certification of mill levies and amendments to the budget if necessary; to certify the mill levy to Larimer County on or before December 15, 2024; and to file the approved budget and amendments thereto with the proper governmental

entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S.

5. In the event additional real property is included into the boundaries of the Districts in the future, each District authorizes legal counsel to record the special district public disclosure document and a map of the new boundaries of each District concurrently with the recording of the order for inclusion in the Larimer County Clerk and Recorder's office in accordance with Section 32-1-104.8(2), C.R.S.

6. Each Board directs legal counsel to notify the City Council of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan attached to the Districts' Service Plan, as required by Section 32-1-202(2)(b), C.R.S.

7. For any nonrated public securities issued by each District, each Board directs the District accountant to prepare and file with the Division on or before March 1, 2024, an annual information report with respect to any of the District's nonrated public securities which are outstanding as of the end of the District's fiscal year in accordance with Section 11-58-105, C.R.S.

8. Each Board hereby authorizes the District's accountant to prepare and file an Audit Exemption and Resolution for approval of Audit Exemption with the Colorado State Auditor by March 31, 2024, as required by Section 29-1-604, C.R.S.; or, if required by Section 29-1-603, C.R.S., each Board authorizes that an audit of the financial statements be prepared and submitted to the Board before June 30, 2024, and filed with the State Auditor by July 31, 2024. In addition, if each District has authorized but unissued general obligation debt as of the end of the fiscal year, the District's accountant shall cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, the District's audit report or a copy of its application for exemption from audit in accordance with Section 29-1-606(7), C.R.S.

9. If the Districts hold property presumed abandoned and subject to custody as unclaimed property pursuant to the Unclaimed Property Act (§§38-13-101 *et seq.*, C.R.S.), the Boards direct legal counsel to prepare an unclaimed property report that covers the twelve months preceding July 1, 2024 and submit the report to the Colorado State Treasurer by November 1, 2024, in accordance with Section 38-13-401 *et seq.*, C.R.S.

10. Each Board directs legal counsel to oversee the preparation of any continuing annual disclosure report required to be filed pursuant to a continuing disclosure agreement, in accordance with the Securities Exchange Commission Rule 15c2-12 and pursuant to any authorizing resolution, indenture, pledge agreement, loan document, and/or any other document related to the issuance of any general or special obligation bonds, revenue bonds, loans from financial institutions or other multiple fiscal year obligations by the District and any refundings thereof.

11. The Boards direct the Districts' accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public

securities issued by the Districts within sixty (60) days of the close of the fiscal year, as required by Sections 11-58-101 *et seq.*, C.R.S.

12. Each Board designates the Secretary of the District as the official custodian of “public records,” as such term is used in Section 24-72-202(2), C.R.S. Public records may also be maintained at the office of Icenogle Seaver Pogue, P.C. and the District Manager’s office.

13. Each Board directs legal counsel to advise it on the requirements of the Fair Campaign Practices Act Section 1-45-101 *et seq.*, C.R.S., when applicable.

14. Each Board directs that all legal notices shall be published in accordance with Section 32-1-103(15), C.R.S., in a paper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District including, but not limited to, *The Loveland Reporter-Herald*.

15. Each Board determines that each director shall not receive compensation for services as directors in accordance with Section 32-1-902(3)(a), C.R.S.

16. Each Board hereby determines that each member of the Board shall execute an Affidavit of Qualification of Director at such time the member is either elected or appointed to the Board. Such forms shall be retained in each District’s files. Section 32-1-103(5), C.R.S. sets forth the qualifications required. Pursuant to Section 32-1-901 and Section 24-12-101, C.R.S., the Boards direct legal counsel to prepare, administer and file an oath of office and a certificate of appointment, if applicable, and procure a surety bond for each Director, and to file copies of each with the Arapahoe County Clerk and Recorder, Clerk of the Court, and with the Division.

17. Each Board extends the current indemnification resolutions, adopted by each Board on January 31, 2022 to allow the resolution to continue in effect as written.

18. Pursuant to Section 32-1-1101.5, C.R.S., each Board directs legal counsel to certify the results of special district ballot issue elections to incur general obligation indebtedness by certified mail to the City and to file a copy of the certification with the Colorado Division of Securities within forty-five (45) days after the election. Furthermore, whenever each District authorizes or incurs a general obligation debt, each Board authorizes legal counsel to record notice of such action and a description of such debt, in a form prescribed by the Division, in the Larimer County Clerk and Recorder’s office within thirty (30) days after authorizing or incurring the debt in accordance with Section 32-1-1604, C.R.S. Furthermore, whenever each District incurs general obligation debt, each Board directs legal counsel to submit a copy of the recorded notice to the City within thirty (30) days after incurring the debt in accordance with Section 32-1-1101.5(1), C.R.S.

19. Each Board directs legal counsel to prepare and file an application for a quinquennial finding of reasonable diligence with the City, if requested, in accordance with Section 32-1-1101.5(1.5) & (2), C.R.S.

20. Each Board directs legal counsel to prepare and file the special district annual report in accordance with the Districts' Service Plan and Section 32-1-207(3)(c), C.R.S.

21. Each Board has determined that legal counsel will file conflicts of interest disclosures provided by board members with the Colorado Secretary of State seventy-two (72) hours prior to each meeting of the Boards, in accordance with Sections 32-1-902(3)(b) and 18-8-308, C.R.S. Annually, legal counsel shall request that each Board member submit updated information regarding actual or potential conflicts of interest. Additionally, at the beginning of every term, legal counsel shall request that each Board member submit information regarding actual or potential conflicts of interest.

22. The Districts are currently members of the Special District Association ("SDA") and insured through the Colorado Special Districts Property and Liability Pool. Each Board directs the District Manager to pay the annual SDA membership dues and insurance premiums in a timely manner. The Boards and District management will biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

23. The members of the Boards have reviewed the minutes from the October 24, 2022 meeting of the Boards, which minutes are attached hereto as **Exhibit A**. The Boards, being fully advised of the premises, hereby ratify and affirms each and every action of the Boards taken at said meetings.

24. Pursuant to Section 24-6-402(2)(d.5)(II)(E), C.R.S., each Board hereby declares that all electronic recordings of executive sessions shall be retained for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. Each Board further directs the custodian of the electronic recordings of the executive session to systematically delete all such recordings made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.

25. Pursuant to Section 32-1-104.5(3)(a), C.R.S., each Board hereby designates the Districts' official website as <https://southvillagemd.net>. Each Board directs District management to maintain and update the official website of the Districts in compliance with Section 32-1-104.5(3)(a), C.R.S.

26. The Districts hereby acknowledge, agree and declare that the Districts' policy for the deposit of public funds shall be made in accordance with the Public Deposit Protection Act (Sections 11-10.5-101 *et seq.*, C.R.S.). As provided therein, the Districts' official custodians may deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository. For purposes of this paragraph, "official custodian" means a designee with plenary authority including control over public funds of a public unit which the official custodian is appointed to serve. Each District hereby designates the District's accountant as its official custodian over public deposits.

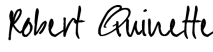
27. Each Board hereby authorizes the District's Manager to execute, on behalf of the District, any and all easement agreements pursuant to which the District is accepting or acquiring easements in favor of the District.

28. Unless otherwise authorized by the Boards and except for contracts that are publicly bid, the Boards' President or Districts' Project Manager are authorized, but not obligated, to take any contract actions within the Districts' approved budget including, but not limited to, approving task orders, work orders, and change orders. All actions taken by the Boards' President and/or the Project Manager shall be ratified by the Boards at the next meeting of the Boards.

(Signature Page Follows.)

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

SOUTH VILLAGE METROPOLITAN
DISTRICT NOS. 1 AND 2

DocuSigned by:

By: 867D749C199C488...
Robert Quinette, President/Chairperson

*Signature Page to South Village Metropolitan District Nos. 1 and 2
2024 Annual Administrative Matters Resolution*

EXHIBIT A

**Minutes from the
October 24, 2022
Meeting of the Boards**

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARDS OF DIRECTORS OF SOUTH VILLAGE METROPOLITAN DISTRICTS NOS. 1-2

HELD
October 24, 2022

The Boards of Directors of the South Village Metropolitan Districts Nos. 1-2 held a regular meeting, open to the public, via Zoom at 3:00 p.m. on Monday, October 24, 2022.

ATTENDANCE:

Directors in Attendance:

Robert Quinette, Vice President
Michael Blumenthal, Treasurer/Secretary

Also, in Attendance Were:

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.
Elaina Cobb, Shannon Randazzo, Amanda Castle, Kirsten Starman,
Nicole Wing, and Wendy McFarland; Pinnacle Consulting Group,
Inc.

ADMINISTRATIVE
ITEMS

The Districts are meeting in a combined Board meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the South Village Metropolitan District No. 1, with concurrence by South Village Metropolitan District Nos. 2. The meeting was called to order at 3:02 p.m. by Ms. Cobb, noting that a quorum was present.

Qualification of Board Members/Oaths of Office and Bonds/Disclosure of any potential Conflicts of Interest: Mr. Pogue discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Boards were requested to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Mr. Pogue that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Agenda: The Boards reviewed the agenda. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

Public Comment: The Boards opened the meeting to public comment. There were no comments made by members of the public and this portion of the meeting was closed.

RECORD OF PROCEEDINGS

CONSENT AGENDA

August 29, 2022, Special Meeting Minutes: The August 29, 2022, Special Meeting Minutes were presented. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the August 29, 2022, Special Meeting Minutes as presented.

FINANCIAL ITEMS

Ratification of Payables: Ms. Castle stated there are no payables to ratify at this time due to invoices being directly paid by the development team.

Unaudited Financial Statements for the periods ending December 31, 2021, and June 30, 2022: Ms. Castle stated there were no unaudited financial statements to present at this time as the District has not opted in to creating a bank account with First Bank.

2023 PROPOSED BUDGET HEARING

Ms. Castle opened the hearing on the 2023 Budget for public comment. Ms. Cobb reported that the notice of the hearing had been published in accordance with state budget law. There being no public input, the public hearing portion of the budget was closed. Ms. Castle reviewed the proposed 2023 Budgets with the Boards, which detailed estimated revenues and expenditures. The budgets by District and fund are as follows:

District Nos. 1 and 2:
General Fund: \$66,060
Capital Fund Expenditures: \$12,005,000.00

LEGAL ITEMS

2023 Annual Administrative Matters Resolution: Mr. Pogue presented the 2023 Annual Administrative Matters Resolution to the Boards and answered questions. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Annual Administrative Matters Resolution.

2023 Meeting Resolution: Mr. Pogue presented the 2023 Meeting Resolution to the Boards and answered questions. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Meeting Resolution.

RECORD OF PROCEEDINGS

2023 Election Resolution: Mr. Pogue presented the 2023 Election Resolution to the Boards and answered questions. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the 2023 Election Resolution.

First Amendment to 2022 Funding and Reimbursement Agreement with South Village, LLC, and in connection therewith, the Refunding of the 2022 Note and Issuance of new Subordinate Note for operation advances: Mr. Pogue reviewed the First Amendment to 2022 Funding and Reimbursement Agreement with South Village, LLC, and in connection therewith, the Refunding of the 2022 Note and Issuance of new Subordinate Note for operation advances with the Boards and answered questions. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the First Amendment to 2022 Funding and Reimbursement Agreement with South Village, LLC, and in connection therewith, the Refunding of the 2022 Note and Issuance of new Subordinate Note for operation advances.

First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with South Village, LLC, and in connection therewith the Refunding of the 2022 Note and Issuance of new Subordinate Note for capital advances: Mr. Pogue reviewed the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with South Village, LLC, and in connection therewith the Refunding of the 2022 Note and Issuance of new Subordinate Note for capital advances with the Boards and answered questions. Upon motion duly made by Director Quinette, seconded by Director Blumenthal, and upon vote, unanimously carried, it was

RESOLVED to approve the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement with South Village, LLC, and in connection therewith the Refunding of the 2022 Note and Issuance of new Subordinate Note for capital advances.

DISTRICT
MANAGER ITEMS

There were no District Manager Items brought before the Boards.

CAPITAL
INFRASTRUCTURE
ITEMS

There were no Capital Infrastructure Items brought before the Boards.

RECORD OF PROCEEDINGS

OTHER ITEMS

Developer Update: Director Blumenthal reported they received the appraisals and a letter that was submitted to the city attorney is being circulated amongst other attorneys. A letter with attached appraisals will be sent out next week and the landowners will have approximately 30 days to respond.

Mr. Pogue recommended waiting for bond issuance until next year due to interest rates.


EXECUTIVE SESSION

No executive session was held.

ADJOURNMENT

There being no further business to come before the Boards, upon motion duly made by Director Quinette, and seconded by Director Blumenthal, the meeting was adjourned 3:19 p.m.

Respectfully submitted,



For Nicole Wing
Recording Secretary for the Meeting