RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 30, 2014

A special meeting of the Board of Directors (referred to hereafter as "Board") of the Southlands Metropolitan District No. 1 (referred to hereafter as "District") was convened on Thursday, the 30th day of October, 2014, at 9:00 A.M., at the Southlands Shopping Center, Management Office, 6155 S. Main Street, #260, Aurora, CO 80016. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Jeff Nemec, President
Kevin McGlynn
Robin Boileau
Joyce Rocha

Also In Attendance Were:
Ann E. Finn; Special District Management Services, Inc.

Clint Waldron, Esq.; WhiteBearAnkele Tanaka & Waldron P.C.

Jason Carroll; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest to the Board of Directors and to the Secretary of State.

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Waldron noted that Disclosure Statements for Directors Nemec, McGlynn, Boileau and Rocha had been filed.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the September 9, 2014 regular meeting.

Following discussion, upon motion duly made by Director Rocha, seconded by Director McGlynn and, upon vote, unanimously carried, the Minutes of the September 9, 2014 regular meeting were approved.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims for the periods ending September 18, 2014, totaling $110,597.72, and October 21, 2014, totaling $202,261.66.

Following review and discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims through the periods ending September 18, 2014, and October 21, 2014.

Financial Statements: Mr. Carroll reviewed with the Board the unaudited financial statements for the period ending September 30, 2014, cash position statement and the operations fees report.

Following review and discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2014, cash position statement and the operations fees report, as presented.

Square Footage Calculation and Operations Fees: Mr. Carroll discussed with the Board the calculation of square footage as it relates to operations fees on property owned by BLC II, LLC. Mr. Carroll advised the Board that the property owner is challenging the calculation on two parcels of property.

Following discussion, the Board directed Mr. Carroll to notify the property owner that an engineer's survey must be submitted to the Board supporting the challenge, prior to the Board considering any changes to the calculation.

LEGAL MATTERS

Assignment, Termination, Acknowledgement, and Release Agreement: Attorney Waldron reviewed with the Board the Assignment, Termination, Acknowledgement, and Release Agreement between the District and Southlands Colorado, LLC.

Following review and discussion, upon motion duly made by Director Nemec, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the Assignment, Termination, Acknowledgement and Release Agreement between the District and Southlands Colorado, LLC.

Addendum No. 1 to Funding and Reimbursement Agreement: The Board entered into discussion regarding Addendum No. 1 to Funding and Reimbursement Agreement for planter renovations in the amount of $15,195.00.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved Addendum No. 1 to Funding and Reimbursement Agreement for planter renovations in the amount of $15,195.00.

Easement Map and Easement(s) with Public Service Company: Attorney Waldron advised the Board that a base map of the easements needs to be prepared, and that he is in the process of soliciting proposals.

Intergovernmental Agreement(s) between the District and the City of Aurora Regarding the Traffic Signal and Speed Limit Enforcement: Attorney Waldron discussed the status of negotiations with the City of Aurora concerning the Intergovernmental Agreement between the District and the City of Aurora regarding funding for the traffic signals.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement, subject to final review by Director Nemec.

Attorney Waldron also discussed speed limit enforcement with the Board. Following discussion, it was determined that Directors Nemec and McGlynn will meet with the Aurora Police Department regarding the District's ability to enforce speed limits within the District.

Public Disclosure Document: Attorney Waldron advised the Board that his office will be preparing and recording the Public Disclosure Document by the deadline set by statute.

OPERATIONS

Revised Proposal for 2015 Floral Program from Metco Landscape, Inc.: The Board entered into discussion regarding the approval of a revised proposal for the 2015 Floral Program from Metco Landscape, Inc.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved the revised proposal for the 2015 Floral Program from Metco Landscape, Inc. for the amount of $151,150, subject to confirmation that the quoted price includes hand-watering fees.

Proposal for 2015 Security Services from Securitas: The Board entered into discussion regarding the approval of a proposal for 2015 Security Services from Securitas.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Boileau and, upon vote, with Directors Nemec, Boileau, and Rocha voting "yes", and Director McGlynn abstaining, the Board approved the proposal for 2015 Security Services from Securitas, for the amount of $50, 340.

Paver and Concrete Work: The Board entered into discussion regarding the ratification of approval of a proposal for paver and concrete work from Andraos Construction, LLC.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the ratification of a proposal for paver and concrete work from Andraos Construction, LLC. for an amount of $2,000.

Streetlight Retrofitting Project: Director Nemec reported to the Board that the project has been completed with the exception of three light fixtures that must be replaced prior to being retrofitted. Director Nemec also noted that the District will receive a rebate of an estimated $42,000 as a result of the project.

Revised Proposal from DTM, Inc. for Holiday Lighting: The Board entered into discussion regarding the ratification of approval of a revised proposal from DTM, Inc. for holiday lighting, for a reduction of approximately $4,000.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, unanimously carried, the Board ratified approval of a revised proposal from DTM, Inc. for holiday lighting.

Approved Contractor List: Ms. Finn presented to the Board an updated Approved Contractor List.

Following review and discussion, upon motion duly made by Director Nemec, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the Approved Contractor List.

Agreement with Metco: Ms. Finn discussed with the Board irrigation repair invoices from Metco.

Following discussion, the Board determined to revise the 2015 proposal for Landscape Maintenance Services to include a provision limiting the mark-up on materials to a not-to-exceed amount of thirty percent (30%).

Intersection at Southlands Parkway and East Commons Avenue: Director Nemec advised the Board of issues regarding the four-way stop at the intersection of Southlands Parkway and East Commons Avenue. Director Nemec noted that he is working to resolve the issue.

WORK SESSION

2015 Budget: Mr. Carroll reviewed the draft 2015 Budget with the Board.

Following review and discussion, the Board confirmed the Budget Hearing has been set for Friday, December 5, 2014 at 9:00 a.m. at the regular meeting location.

ADJOURNMENT

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

Respectfully submitted,

By [redacted]
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 30, 2014 MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

_____

Jeff Nemec

[redacted]

Kevin McGlynn

[redacted]

Robin Boileau

[redacted]

Joyce Rocha