

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 5, 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 Friday, the 5<sup>th</sup> day of December, 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 (via speakerphone)  
Kevin McGlynn  
Robin Boileau  
Joyce Rocha

##### Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Clint Waldron, Esq.; White Bear Ankele 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.

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

**Minutes:** The Board reviewed the Minutes of the October 30, 2014 special meeting.

Following discussion, upon motion duly made by Director Boileau, seconded by Director McGlynn and, upon vote, unanimously carried, the Minutes of the October 30, 2014 special meeting were approved.

**2015 Regular Meeting Dates:** The Board entered into conversation regarding 2015 regular meeting dates.

Following discussion, upon motion duly made by Director Boileau, seconded by Director McGlynn and, upon vote, unanimously carried, the Board determined to set 2015 regular meeting dates for the first Tuesday in March, June, September, and December at 9:00 a.m., at 6155 S. Main Street, #260, Aurora, CO 80016.

**Appointment of Acting President:** Due to Director Nemec's attendance of the meeting by speakerphone, the Board entered into discussion regarding the appointment of an acting president for the purpose of executing documents.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Nemec and, upon vote, unanimously carried, the Board determined to appoint Director McGlynn acting president for the purpose of executing documents approved by the Board at this meeting only.

### **PUBLIC COMMENTS**

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There were no public comments.

\_\_\_\_\_

### **FINANCIAL MATTERS**

**Claims:** The Board considered ratifying approval of the payment of claims for the period ending November 18, 2014, totaling \$114,705.22.

Following review and discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims through the period ending November 18, 2014.

**2014 Budget Amendment Hearing:** The Acting President opened the public hearing to consider the Resolution to Amend the 2014 Budget and discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2014 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Board adopted Resolution 2014-12-01: Resolution to Amend the 2014 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2015 Budget Hearing:** The Acting President opened the public hearing to consider the proposed 2015 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2015 Budget and the date, time, and location of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Mr. Carroll reviewed the estimated 2014 expenditures and the proposed 2015 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2014-12-02: Resolution to Adopt the 2015 Budget and Appropriate Sums of Money, and Resolution No. 2014-12-03: Resolution to Set Mill Levies, for the General Fund at 6.348 mills, for the Debt Service Fund at 60.000 mills, and for Other Fund(s) at 0.000 mills, for a total mill levy of 66.348 mills, and upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2014. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2015. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

**2014 Audit:** The Board considered the engagement of Wagner Barnes & Griggs, P.C. to perform the 2014 audit for an amount not-to-exceed \$4,950.

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Following discussion, upon motion duly made by Director Nemec, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the engagement of Wagner Barnes & Griggs, P.C. to perform the 2014 Audit for an amount not-to-exceed \$4,950.

**DLG-70 Mill Levy Certification Form:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County commissioners and other interested parties.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

### **LEGAL MATTERS**

**Master Services Agreement:** Attorney Waldron discussed a Master Services Agreement between the District and Point Consulting, LLC for general engineering services.

Mr. Waldron also discussed a proposal from Point Consulting, LLC for preparation of an Interactive Easement and Maintenance Map for the amount of \$5,000.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the Master Services Agreement between the District and Point Consulting, LLC for general engineering services.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the proposal from Point Consulting, LLC for preparation of an Interactive Easement and Maintenance Map for the amount of \$5,000.

**Intergovernmental Agreement(s):** Attorney Waldron discussed the status of Intergovernmental Agreement(s) between the District and the City of Aurora regarding traffic signal and speed limit enforcement. Attorney Waldron advised the Board that the Intergovernmental Agreement(s) are awaiting approval from the City of Aurora.

**2015 Annual Administrative Resolution:** The Board entered into conversation regarding approval of the 2015 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director McGlynn, seconded by

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Director Boileau and, upon vote, unanimously carried, the Board approved the 2015 Annual Administrative Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**§32-1-809, C.R.S. Reporting Requirements and Mode of Eligible Elector Notification:** The Board entered into discussion regarding §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification. It was noted that the information was posted on the SDA website in 2014.

Following discussion, the Board determined to post the required information on the SDA website.

**Reimbursement of Expenses Related to Widening of East Smoky Hill Road:** Attorney Waldron noted for the Board that he is researching the possibility of the District being reimbursed by an Improvement Reimbursement District for the costs associate with the widening of East Smoky Hill Road. No action was taken by the Board.

### **OPERATIONS**

**Annual Contract Summary:** Ms. Finn advised the Board that the draft Annual Contract Summary will be finalized and submitted for Board approval once all payments have been made for 2014.

#### **Maintenance Report (Northwest Retail, LLC.:**

**Safety Issues Concerning the Intersection of Southlands Parkway and East Commons Avenue:** Director Nemeč discussed safety issues concerning the intersection of Southlands Parkway and East Commons Avenue.

Following discussion, the Board directed Staff to research options for improving the safety of the intersection and to obtain proposals for the Board's consideration.

**Holiday Lighting:** Director Nemeč advised the Board that transformers need to be installed on the monuments to light the new holiday bows that have been installed on the monument signs.

Following discussion, the Board authorized the work to be completed by an independent contractor, if necessary.

**Addition of Bollards to Kay Jewelers Shop Front:** Director Nemeč discussed with the Board the possible addition of bollards to the Kay Jewelers shop front, noting that a license agreement is required.

Following discussion, the Board authorized Attorney Waldron to prepare the

## RECORD OF PROCEEDINGS

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license agreement for installation and placement of bollards on District-owned property.

WISE Water Tank Project: The Board entered into discussion regarding the WISE Water Tank Project.

The Board took no action.

### 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 \_\_\_\_\_

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 5, 2014 MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
[Redacted Signature]

Jeff Memec

\_\_\_\_\_  
[Redacted Signature]

Kevin McGlynn

\_\_\_\_\_  
[Redacted Signature]

Robin Boileau

\_\_\_\_\_  
Joyce Rocha

RESOLUTION TO AMEND 2014 BUDGET  
SOUTHLANDS METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the Southlands Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2014 as follows:

General Fund	\$2,023,000
Debt Service Fund	\$3,960,000

WHEREAS, the necessity has arisen for additional expenditures in the General Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2014; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund miscellaneous revenues, and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Southlands Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2014 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2014, as follows:

General Fund	\$2,058,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 5<sup>th</sup> day of December, 2014.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

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

Secretary

RESOLUTION NO. 2014 - 12 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
TO ADOPT THE 2015 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Southlands Metropolitan District No. 1 ("District") has appointed the District Accountant to prepare and submit a proposed 2015 budget to the Board of Directors of the District (the "Board") at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2014, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place at the office of the District Manager, interested electors of the District were given the opportunity to file or register any objections to the proposed budget, and a public hearing was held on December 5, 2014 at Southlands Shopping Center, Management Office, 6155 S. Main Street, #260, Aurora, Colorado; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserve fund balances so that the budget remains in balance, as required by law.

WHEREAS, the Board has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southlands Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Southlands Metropolitan District No. 1 for the 2015 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and filed in accordance with applicable law, and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5<sup>th</sup> day of December, 2014.

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

[Redacted signature area]

Jeff Nemec, President

*Jeff Nemec*

ATTEST:

[Redacted signature area]

Joyce Rocha, Secretary

(SEAL)



**EXHIBIT A**  
(Budget)



CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## CliftonLarsonAllen

### Accountant's Compilation Report

Board of Directors  
Southlands Metropolitan District No. 1  
Arapahoe County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Southlands Metropolitan District No. 1 for the General Fund and Debt Service Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2013 is presented for comparative purposes only. Such information is taken from the 2013 audit report of the District for the year ended December 31, 2013, as prepared by Wagner Barnes & Griggs, PC, dated May 2, 2014 in which an unmodified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Southlands Metropolitan District No. 1.

Greenwood Village, Colorado  
December 5, 2014

**SOUTHLANDS METROPOLITAIN DISTRICT NO. 1**  
**SUMMARY**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ 4,908,887	\$ 5,100,000	\$ 5,360,604
REVENUES			
1 Property taxes	3,719,378	4,087,252	4,062,297
2 Specific ownership taxes	275,954	286,108	284,324
3 Facility fees	13,954	-	-
4 Net investment income	8,992	6,020	6,000
5 General operations fee	1,777,274	1,854,600	1,947,330
6 Miscellaneous income	4,978	44,624	41,231
Total revenues	<u>5,800,530</u>	<u>6,278,604</u>	<u>6,341,182</u>
TRANSFERS IN	<u>9,296</u>	<u>-</u>	<u>-</u>
Total funds available	<u>10,718,713</u>	<u>11,378,604</u>	<u>11,701,786</u>
EXPENDITURES			
General and administration			
7 Accounting	37,272	40,000	40,000
8 Audit	4,950	4,800	5,000
9 Billing services	4,800	5,400	5,400
10 Contingency	-	11,964	11,953
11 County Treasurer's fees	3,865	3,986	5,577
12 District management	38,048	45,000	45,000
13 Dues and membership	1,238	1,238	1,500
14 Election	-	1,291	-
15 Insurance	19,148	17,478	20,000
16 Legal	27,009	35,000	30,000
17 Miscellaneous	711	2,000	2,000
18 Traffic signal	-	-	100,000
Operations and maintenance			
19 Floral	181,536	150,000	151,150
20 Landscape maintenance & irrigation repair	86,157	160,000	130,000
21 Monthly cleaning	194,494	196,000	199,580
22 Pest control	3,800	5,000	5,000
23 Property maintenance	87,500	91,000	97,000
24 Property management	35,424	40,000	40,000
25 Repairs and maintenance	58,092	358,843	248,000
26 Retaining wall drainage	37,353	-	-
27 Security	31,473	32,000	50,340
28 Signage and decor	52,798	73,000	111,000
29 Snow removal	462,244	450,000	600,000
30 Street lighting/stripping	99,392	100,000	90,000
31 Street repairs/sidewalk	51,968	64,000	150,000
32 Street sweeping	21,600	20,000	20,000
33 Traffic signals maintenance	-	-	1,500
34 Utilities	187,702	150,000	200,000
Debt Service			
35 Bond interest	2,811,244	2,770,644	2,724,238
36 Bond principal	1,015,000	1,125,000	1,170,000
37 Contingency	-	4,534	4,278
38 County Treasurer's fees	51,949	57,322	56,984
39 Paying agent fees	2,650	2,500	2,500
Total expenditures	<u>5,609,417</u>	<u>6,018,000</u>	<u>6,318,000</u>
TRANSFERS OUT	<u>9,296</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,618,713</u>	<u>6,018,000</u>	<u>6,318,000</u>
ENDING FUND BALANCES	<u>\$ 5,100,000</u>	<u>\$ 5,360,604</u>	<u>\$ 5,383,786</u>
EMERGENCY RESERVE	\$ 8,500	\$ 9,900	\$ 13,200
O&M RESERVE	200,000	250,000	300,000
DEBT SERVICE RESERVE	4,612,825	4,612,825	4,612,825
TOTAL RESERVE	<u>\$ 4,821,325</u>	<u>\$ 4,872,725</u>	<u>\$ 4,926,025</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAIN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/5/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
<b>ASSESSED VALUATION - ARAPAHOE</b>			
Commercial	\$ 58,940,670	\$ 51,946,500	\$ 51,368,777
Vacant Land	967,010	750,920	872,989
Personal Property	5,687,790	5,513,830	5,315,681
State Assessed	1,024,610	1,008,630	1,007,850
Certified Assessed Value	<u>\$ 66,620,080</u>	<u>\$ 59,219,880</u>	<u>\$ 58,565,297</u>
<b>MILL LEVY</b>			
GENERAL FUND	4.190	4.190	6.348
DEBT SERVICE FUND	53.500	57.500	60.000
Refunds and Abatements	-	4.658	-
Total Mill Levy	<u>57.690</u>	<u>66.348</u>	<u>66.348</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 279,138	\$ 248,131	\$ 371,772
DEBT SERVICE FUND	3,564,174	3,405,143	3,513,918
Refunds and Abatements	-	275,846	-
Levied property taxes	3,843,312	3,929,120	3,885,690
Adjustments to actual/rounding	(19,721)	-	-
Refund and abatements	(275,915)	(16,309)	-
Budgeted Property Taxes	<u>\$ 3,547,676</u>	<u>\$ 3,912,811</u>	<u>\$ 3,885,690</u>
<b>ASSESSED VALUATION - ARAPAHOE DEBT ONLY</b>			
Commercial	\$ 2,610,000	\$ 2,482,980	\$ 2,482,980
Vacant Land	90	90	87
Personal Property	583,360	534,900	445,750
State Assessed	15,940	15,790	14,640
Certified Assessed Value	<u>\$ 3,209,390</u>	<u>\$ 3,033,760</u>	<u>\$ 2,943,457</u>
<b>MILL LEVY</b>			
DEBT SERVICE FUND	53.500	57.500	60.000
Total Mill Levy	<u>53.500</u>	<u>57.500</u>	<u>60.000</u>
<b>PROPERTY TAXES</b>			
DEBT SERVICE FUND	\$ 171,702	\$ 174,441	\$ 176,607
Budgeted Property Taxes	<u>\$ 171,702</u>	<u>\$ 174,441</u>	<u>\$ 176,607</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 258,584	\$ 265,759	\$ 371,772
DEBT SERVICE FUND	3,460,794	3,821,493	3,690,525
	<u>\$ 3,719,378</u>	<u>\$ 4,087,252</u>	<u>\$ 4,062,297</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015	
BEGINNING FUND BALANCES	\$ 123,802	\$ 446,065	\$ 571,671	
<b>REVENUES</b>				
1 Property taxes	258,584	265,759	371,772	
2 Specific ownership taxes	19,185	18,603	26,024	
3 Net investment income	112	20	-	
4 General operations fee	1,777,274	1,854,600	1,947,330	
5 Miscellaneous income	4,978	44,624	41,231	
Total revenues	<u>2,060,133</u>	<u>2,183,606</u>	<u>2,386,357</u>	
Total funds available	<u>2,183,935</u>	<u>2,629,671</u>	<u>2,958,028</u>	
<b>EXPENDITURES</b>				
General and administration				
6 Accounting	37,272	40,000	40,000	
7 Audit	4,950	4,800	5,000	
8 Billing services	4,800	5,400	5,400	
9 Contingency	-	11,964	11,953	
10 County Treasurer's fees	3,865	3,986	5,577	
11 District management	38,048	45,000	45,000	
12 Dues and membership	1,238	1,238	1,500	
13 Election	-	1,291	-	
14 Insurance	19,148	17,478	20,000	
15 Legal	27,009	35,000	30,000	
16 Miscellaneous	711	2,000	2,000	
17 Traffic signal	-	-	100,000	266,430
Operations and maintenance				
18 Floral	181,536	150,000	151,150	
19 Landscape maintenance & irrigation repair	86,157	160,000	130,000	
20 Monthly cleaning	194,494	196,000	199,580	
21 Pest control	3,800	5,000	5,000	
22 Property maintenance	87,500	91,000	97,000	
23 Property management	35,424	40,000	40,000	
24 Repairs and maintenance	58,092	358,843	248,000	
25 Retaining wall drainage	37,353	-	-	
26 Security	31,473	32,000	50,340	
27 Signage and decor	52,798	73,000	111,000	
28 Snow removal	462,244	450,000	600,000	
29 Street lighting/stripping	99,392	100,000	90,000	
30 Street repairs/sidewalk	51,968	64,000	150,000	
31 Street sweeping	21,600	20,000	20,000	
32 Traffic signals maintenance	-	-	1,500	
33 Utilities	187,702	150,000	200,000	(146,240)
Total expenditures	<u>1,728,574</u>	<u>2,058,000</u>	<u>2,360,000</u>	
<b>TRANSFERS OUT</b>				
DEBT SERVICE FUND				
	9,296	-	-	
Total transfers out	<u>9,296</u>	<u>-</u>	<u>-</u>	
Total expenditures and transfers out requiring appropriation	<u>1,737,870</u>	<u>2,058,000</u>	<u>2,360,000</u>	
ENDING FUND BALANCES	<u>\$ 446,065</u>	<u>\$ 571,671</u>	<u>\$ 598,028</u>	
EMERGENCY RESERVE	\$ 8,500	\$ 9,900	\$ 13,200	
O&M RESERVE	200,000	250,000	300,000	
TOTAL RESERVE	<u>\$ 208,500</u>	<u>\$ 259,900</u>	<u>\$ 313,200</u>	

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAIN DISTRICT NO 1**  
**GENERAL FUND - REPAIRS AND MAINTENANCE**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2014

ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
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EXPENDITURES

1	Street repairs (engineering)	\$ -	\$ 800	\$ -
2	Banners	7,861	-	15,000
3	Retaining wall repairs/replace caps	-	3,400	3,000
4	Tree replacement/removal	-	-	15,000
5	Fountains/chemicals	4,989	30,000	30,000
6	Contingency/other	21,166	11,000	45,000
7	Street light painting	5,101	15,000	50,000
8	Asphalt & sidewalk repairs	11,160	-	-
9	Signage program	2,251	13,643	30,000
10	Site lighting/retrofitting	5,564	260,000	-
11	Planter renovation	-	25,000	45,000
12	Detention pond	-	-	15,000
	<b>TOTAL</b>	<b>\$ 58,092</b>	<b>\$ 358,843</b>	<b>\$ 248,000</b>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAIN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ 4,785,085	\$ 4,653,935	\$ 4,788,933
REVENUES			
1 Property taxes	3,460,794	3,821,493	3,690,525
2 Specific ownership taxes	256,769	267,505	258,300
3 Facility fees	13,954	-	-
4 Net investment income	8,880	6,000	6,000
Total revenues	3,740,397	4,094,998	3,954,825
TRANSFERS IN			
GENERAL FUND	9,296	-	-
Total transfers in	9,296	-	-
Total funds available	8,534,778	8,748,933	8,743,758
EXPENDITURES			
Debt Service			
5 Bond interest	2,811,244	2,770,644	2,724,238
6 Bond principal	1,015,000	1,125,000	1,170,000
7 Contingency	-	4,534	4,278
8 County Treasurer's fees	51,949	57,322	56,984
9 Paying agent fees	2,650	2,500	2,500
Total expenditures	3,880,843	3,960,000	3,958,000
Total expenditures and transfers out requiring appropriation	3,880,843	3,960,000	3,958,000
ENDING FUND BALANCES	\$ 4,653,935	\$ 4,788,933	\$ 4,785,758
DEBT SERVICE RESERVE	\$ 4,612,825	\$ 4,612,825	\$ 4,612,825
TOTAL RESERVE	\$ 4,612,825	\$ 4,612,825	\$ 4,612,825

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**  
**2015 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by court order dated December 3, 2002 to provide financing for the design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely in Arapahoe County, Colorado in the City of Aurora.

The District operates under the Service Plan as approved by the City of Aurora.

On November 5, 2002 the electorate authorized general obligation debt in the amount of \$63,000,000, refunding debt of \$49,000,000 and \$1,000,000 debt for operating expenditures. Debt is subject to the terms of the Service Plan. On November 5, 2002 the electorate also approved the removal of limitations imposed by the TABOR Amendment and any other law that purports to limit the District's revenue or expenditures and a \$130,000 annual property tax increase for operations.

On November 4, 2008 the electorate approved general obligation debt in the amount of \$440,000,000 for District improvements, \$40,000,000 for the purpose of refunding, refinancing or defeasing any of the District's debt, \$40,000,000 in multi-year intergovernmental agreements, \$40,000,000 in multi-year agreements with a regional authority and \$40,000,000 in other multi-year financial obligations. Additionally, on November 4, 2008, the electorate approved \$5,000,000 annually for the District's administrative and operating costs from property taxes as well as from fees. The electorate also approved \$5,000,000 in additional property taxes for intergovernmental agreements, \$5,000,000 in additional property taxes for the costs of regional improvements and \$5,000,000 in additional property taxes for private contracts. The electorate also authorized the District to collect, retain and spend the full amount of taxes and fees without regard to the limitation of TABOR.

The First Amendment to the Service Plan, approved by the City of Aurora on July 16, 2007, authorized the District to impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance.

Pursuant to the District's First Amendment to the Service Plan as approved by the City of Aurora on July 16, 2007, the amount of debt that can be issued is \$60,000,000 (exclusive of refunding).

The District prepares its budget on the modified accrual basis of accounting.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The First Amendment to the Service Plan, approved by the City of Aurora on July 16, 2007, authorized the District to impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance.

The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 66.348, 6.348 mills for operations, and 60.000 mills for debt service.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 7% of the property taxes collected by both the General Fund and the Debt Service Fund. The forecast assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

**General Operations Fee**

The general operations fee is being determined by the amount needed to cover operations and maintenance costs. The District bills its property owners monthly for the general operations fee. The general operations fee is recorded as revenue for budget purposes with no future obligation of repayment.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**Debt Service**

On August 1, 2007 the District issued \$58,940,000 in General Obligation Refunding and Improvement Bonds, dated August 1, 2007, with interest of 4.000% to 5.250%. The Bonds are term Bonds and those maturing on and before December 1, 2017 are not subject to redemption prior to maturity. The Bonds maturing on and after December 1, 2022, are subject to redemption prior to maturity, at the option of the District, on December 1, 2017, and any day thereafter, upon payment of par and accrued interest, without redemption premium.

The proceeds of the Series 2007 Bonds were used to refund the District's outstanding General Obligation Bonds Series 2004, reimburse the Developer for the costs of constructing and installing certain public improvements within the Development and pay the costs of issuing the Bonds. A portion of the proceeds was used pursuant to the terms of the Intergovernmental Agreement executed between the District and Wheatlands Metropolitan District No.1. In 2008, the District reimbursed Wheatlands No.1 for capital infrastructure costs incurred within the boundaries of the District.

Principal and Interest payments are provided based on the debt amortization schedule from the General Obligation Refunding Bonds Series 2007.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2015, as defined under TABOR.

**Debt and Leases**

The District's current debt service schedule is attached. The District has no operating or capital leases.

**This information is an integral part of the accompanying forecasted budget.**

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF OUTSTANDING BONDED DEBT SERVICE  
REQUIREMENTS TO MATURITY**

**\$58,940,000 General Obligation Refunding and Improvement  
Bonds, Series 2007  
Dated August 1, 2007  
Interest 4.000%-5.250%  
Payable June 1 and December 1  
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,170,000	\$ 2,724,238	\$ 3,894,238
2016	1,305,000	2,665,738	3,970,738
2017	1,365,000	2,602,363	3,967,363
2018	1,510,000	2,535,675	4,045,675
2019	1,580,000	2,465,838	4,045,838
2020	1,730,000	2,392,763	4,122,763
2021	1,810,000	2,312,750	4,122,750
2022	1,970,000	2,229,038	4,199,038
2023	2,060,000	2,137,925	4,197,925
2024	2,245,000	2,033,925	4,278,925
2025	2,360,000	1,920,513	4,280,513
2026	2,555,000	1,801,288	4,356,288
2027	2,685,000	1,672,138	4,357,138
2028	2,905,000	1,536,413	4,441,413
2029	3,055,000	1,383,900	4,438,900
2030	3,300,000	1,223,513	4,523,513
2031	3,475,000	1,050,263	4,525,263
2032	3,745,000	867,825	4,612,825
2033	3,940,000	671,213	4,611,213
2034	8,845,000	464,363	9,309,363
	<u>\$ 53,610,000</u>	<u>\$ 36,691,675</u>	<u>\$ 90,301,675</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CERTIFICATION:**

I, Joyce Rocha, hereby certify that I am the duly appointed Secretary of the Southlands Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2015, duly adopted at a meeting of the Board of Directors of the Southlands Metropolitan District No. 1 held on December 5, 2014.

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

Secretary

RESOLUTION NO. 2014 - 12 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Southlands Metropolitan District No. 1 (“District”) has adopted the 2015 annual budget in accordance with the Local Government Budget Law on December 5, 2014; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2015 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southlands Metropolitan District No. 1:

1. That for the purposes of meeting all general fund expenses of the District during the 2015 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

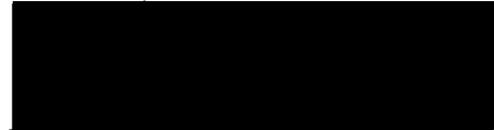
2. That for the purposes of meeting all debt service fund expenses of the District during the 2015 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

*[Signatures on Following Page]*

ADOPTED this 5<sup>th</sup> day of December, 2014.

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



Jeff Nemeec, President

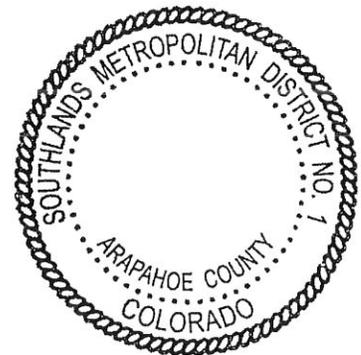
*Jeff Nemeec*

ATTEST:



Joyce Rocha, Secretary

(SEAL)



**EXHIBIT A**  
(Certification of Tax Levies)

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Arapahoe County, Colorado.

On behalf of the Southlands Metropolitan District No. 1  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Southlands Metropolitan District No. 1  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 58,565,297 assessed valuation of:  
(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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:  
 \$ 58,565,297  
(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/05/2014 for budget/fiscal year 2015  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	6.348 mills	\$ 371,772
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>6.348</b> mills	<b>\$ 371,772</b>
3. General Obligation Bonds and Interest <sup>J</sup>	60.000 mills	\$ 3,513,918
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>66.348</b> mills	<b>\$ 3,885,690</b>

Contact person: Jason Carroll Daytime phone: (303) 779-5710  
 (print) \_\_\_\_\_  
 Signed: \_\_\_\_\_ Title: Accountant for the District

*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) 866-2156.*

<sup>1</sup> 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.  
<sup>2</sup> 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:**

- |    |                   |                           |
|----|-------------------|---------------------------|
| 1. | Purpose of Issue: | Refunding and Improvement |
|    | Series:           | 2007                      |
|    | Date of Issue:    | August 1, 2007            |
|    | Coupon Rate:      | 4.000% - 5.250%           |
|    | Maturity Date:    | December 1, 2034          |
|    | Levy:             | 60.000                    |
|    | Revenue:          | \$ 3,513,918              |
|    |                   |                           |
| 2. | Purpose of Issue: | _____                     |
|    | Series:           | _____                     |
|    | Date of Issue:    | _____                     |
|    | Coupon Rate:      | _____                     |
|    | Maturity Date:    | _____                     |
|    | Levy:             | _____                     |
|    | Revenue:          | _____                     |

**CONTRACTS:**

- |    |                      |       |
|----|----------------------|-------|
| 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.

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Arapahoe County, Colorado.

On behalf of the Southlands Metropolitan District No. 1 Bonds  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Southlands Metropolitan District No. 1  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,943,457 assessed valuation of:  
(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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:  
 \$ 2,943,457  
(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/05/2014 for budget/fiscal year 2015  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	0.000 mills	\$ 0
3. General Obligation Bonds and Interest <sup>J</sup>	60.000 mills	\$ 176,607
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>60.000</b> mills	<b>\$176,607</b>

Contact person: Jason Carroll Daytime phone: (303) 779-5710  
 (print) [REDACTED]  
 Signed: \_\_\_\_\_ Title: Accountant for the District

*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) 866-2156.*

<sup>1</sup> 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.  
<sup>2</sup> 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:**

1. Purpose of Issue: Refunding and Improvement  
Series: 2007  
Date of Issue: August 1, 2007  
Coupon Rate: 4.000% - 5.250%  
Maturity Date: December 1, 2034  
Levy: 60.000  
Revenue: \$176,607
  
2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS:**

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL ADMINISTRATIVE RESOLUTION**  
**(2015)**

---

At the special meeting of the Board of Directors (“Board”) of the Southlands Metropolitan District No. 1 (“District”), City of Aurora, Arapahoe County, Colorado, held at 9:00 A.M., on December 5, 2014, at 6155 S. Main Street, Suite 260, Aurora, Colorado, it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of Arapahoe, Colorado (the “County”) and is located entirely within the City of Aurora, Colorado (the “City”); and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs Special District Management Services, Inc. (the “District Manger”) to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“Division”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s 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 District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District’s accountant to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof,

all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District's accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31 in accordance with § 29-1-604, C.R.S.

6. The Board directs legal counsel, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to 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 § 29-1-606(7) C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs legal counsel to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, to prepare all budget resolutions and to file the budget and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

9. The Board directs the District's accountant to prepare the mill levy certification form and directs manager to file the mill levy certification forms with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.

10. The Board designates the *Aurora Sentinel* as a newspaper of general circulation within the boundaries of the District and directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S., in the *Aurora Sentinel*, unless otherwise designated by the Board or legal counsel.

11. The Board determines that each director shall not receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.

12. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

President:	Jeff Nemec
Vice President:	Kevin McGlynn
Secretary:	Joyce Rocha
Treasurer:	Robin Boileau
Assistant Secretary:	VACANT
Recording Secretary:	District Manager

13. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to

file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

14. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

15. The Board hereby appoints the District Manger as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S.

16. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the northwest intersection between Main Street and Smoky Hill Road as the District's 24-hour posting place for notices of meetings.

17. The Board determines to hold regular meetings on \_\_\_\_\_ at \_\_\_\_\_ .M. at 6455 S. Main Street, Suite 260, Aurora, Colorado. Notice of the time and place for all regular meetings shall be posted in accordance with § 32-1-903, C.R.S.

18. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

19. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution adopted by the Board.

20. Pursuant to its authority set forth in § 1-1-111, C.R.S., the Board hereby appoints Ann Finn, of Special District Management Services, Inc., as the "Designated Election Official" of the District for any elections to be held. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, the power to enter into intergovernmental agreements on behalf of the District, call an election on behalf of the District, to approve the final form of ballot issues and questions, to prepare the TABOR notice, to appoint election judges and a canvass board and to cancel, if applicable, the election.

21. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the Designated Election Official to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district.

22. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

23. The Board directs the District Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

24. The Board directs the District Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

25. The Board directs the District Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.

26. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District Manager to obtain workers' compensation coverage for the District.

27. The Board hereby directs the District Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly.

28. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

29. The Board hereby directs the District Manager to prepare and record with the County clerk and recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

30. The Board directs the District's accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

*[Remainder of page intentionally left blank].*

RESOLUTION APPROVED AND ADOPTED THIS 5<sup>TH</sup> DAY OF DECEMBER, 2014.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

[REDACTED]

\_\_\_\_\_  
Officer of District

ATTEST:

[REDACTED]

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

[REDACTED]  
\_\_\_\_\_  
General Counsel to the District

CERTIFICATION OF RESOLUTION

STATE OF COLORADO  
COUNTY OF ARAPAHOE  
SOUTHLANDS METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a special meeting held on Friday, December 5, 2014, at 6155 S. Main Street, Suite 260, Aurora, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5<sup>th</sup> day of December, 2014.

[REDACTED]  
\_\_\_\_\_