

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 2, 2015

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 Wednesday, the 2nd day of December, 2015, at 10:00 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
Robin Boileau
Joyce Rocha

Following discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, unanimously carried, the absence of Director McGlynn was excused.

Also In Attendance Were:

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

Clint Waldron, Esq.; White Bear Ankele Tanaka & Waldron, P.C.

Thuy Dam; 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 the Directors had been filed. It was noted that Directors McGlynn and Boileau serve on the Board of Directors of the Southlands Metropolitan District No. 2.

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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 Rocha and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the October 29, 2015 Special Meeting.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, unanimously carried, the Minutes of the October 29, 2015 Special Meeting were approved.

2016 Annual Administrative Resolution: The Board entered into discussion regarding the 2016 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board adopted the 2016 Annual Administrative Resolution. A copy of the Resolution is attached hereto and incorporated herein by this reference.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims for the period ending November 19, 2015, totaling \$173,089.93

Following review and discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented.

Financial Statements: Ms. Dam reviewed with the Board the unaudited financial statements for the period ending September 30, 2015, the cash position statement and the operations fees report.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2015, the cash position statement and the operations fees report.

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2015 Audit: The Board entered into discussion regarding the engagement of Wagner Barnes & Griggs, P.C. to perform the 2015 Audit.

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 2015 Audit for an amount not-to-exceed \$5,100.

2015 Budget Amendment Hearing: The President opened the Public Hearing to consider amending the 2015 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend 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.

Following review and discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board adopted Resolution No. 2015-12-02; Resolution to Amend the 2015 Budget. A copy of the Resolution is attached hereto and incorporated herein by this reference.

2016 Budget Hearing: The President opened the Public Hearing to consider the proposed 2016 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2016 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.

Ms. Dam reviewed the estimated 2015 expenditures and the proposed 2016 expenditures.

Following discussion, the Board considered adoption of Resolution No. 2015-12-03 to Adopt the 2016 Budget and Appropriate Sums of Money, and Resolution No. 2015-12-04 to Set Mill Levies (for the General Fund at 7.548 mills, the Debt Service Fund at 53.000 mills, for a total mill levy of 60.548 mills). Upon motion duly made by Director Boileau, 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 Arapahoe

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County on or before December 10, 2015. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the Division of Local Government, not later than December 15, 2015. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2016. Copies of the Resolutions are attached hereto and incorporated herein by this reference.

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 Boileau, 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

Amended and Restated Resolution Imposing a General Operations Fee: The Board determined to defer this matter at this time.

Estoppel Certificate for CWP West Corp. concerning the Imposition of a General Operations Fee: Attorney Waldron reviewed with the Board an Estoppel Certificate for CWP West Corp. concerning the imposition of a General Operations Fee.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the Estoppel Certificate for CWP West Corp. concerning the imposition of a General Operations Fee.

Status of Loan and Amendment to Service Plan: Attorney Waldron noted for the Board that the Service Plan Amendment is on the agenda for City Council meeting scheduled for January 11, 2016. He also noted that the Service Plan Amendment must be approved prior to the Board moving forward with the loan.

Engagement of Bond Counsel: Attorney Waldron discussed options available to the District regarding the engagement of Bond Counsel. The Board took no action at this time.

Resolution Calling a Regular Election for Directors: The Board entered into discussion regarding a Resolution Calling a Regular Election for Directors.

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Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board adopted the Resolution Calling a Regular Election for Directors. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Engagement Letter with White Bear Ankele Tanaka & Waldron, P.C.: Attorney Waldron reviewed with the Board an Engagement Letter with White Bear Ankele Tanaka & Waldron, P.C. to serve as General Counsel to the District.

Following discussion, upon motion duly made by Director Nemeč, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the Engagement Letter with White Bear Ankele Tanaka & Waldron, P.C.

Landscape Maintenance: Attorney Waldron noted for the Board that the Village at Forest Trace has agreed to take over the streetscape maintenance along the south side of East Smoky Hill Road. Attorney Waldron also noted that he is working with the City on acceptance of the medians located in East Smoky Hill Road for maintenance as well.

Following discussion, the board authorized Attorney Waldron to continue working with the Village at Forest Trace and the City on acceptance of the improvements.

CAPITAL

Independent Contractor Agreement for Project Management Services for the Sidewalk Replacement Project: Ms. Finn advised the Board that she publicly bid Project Management Services and received only one bid from Northwood Retail, LLC for the Sidewalk Replacement Project.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, with Directors Boileau and Rocha voting "aye", and Director Nemeč abstaining, the Board approved an Independent Contractor Agreement with Northwood Retail, LLC for Project Management Services for the Sidewalk Replacement Project.

Sidewalk Replacement Project: Director Nemeč discussed the Sidewalk Replacement Project with the Board, noting that the design work is 80% complete.

Independent Contractor Agreement between the District and enLighten Engineering, LLC for electrical engineering services: The Board entered into discussion regarding an Independent Contractor Agreement between the District and enLighten Engineering, LLC for electrical engineering services.

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Following discussion, upon motion duly made by Director Rocha, seconded by Director Nemec and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and enLighten Engineering, LLC for electrical engineering services, subject to final review by Counsel.

Independent Contractor Agreement between the District and Point Consulting, LLC for civil engineering services: The Board entered into discussion regarding an Independent Contractor Agreement between the District and Point Consulting, LLC for civil engineering services.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Point Consulting, LLC for civil engineering services, subject to final review by Counsel.

OPERATIONS

Property Management Report (Special District Management Services, Inc.):

Proposals for 2016 Maintenance Services: Ms. Finn distributed for the Board to review the following proposals for 2016 Maintenance Services:

1. *2016 General Maintenance Services:* Ms. Finn advised the Board that she received only one bid for 2016 General Maintenance Services from Northwood Retail, LLC for an amount of \$99,790.56

Following discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, with Directors Rocha and Boileau voting “aye”, and Director Nemec abstaining, the Board approved an Independent Contractor Agreement between the District and Northwood Retail, LLC for 2016 General Maintenance Services.

2. *Street Sweeping Services:* The Board reviewed a proposal from Common Area Maintenance Services (“CAM”) for 2016 Street Sweeping Services.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Nemec and, upon vote, unanimously carried, the Board approved an Independent Contractor Agreement between the District and CAM for 2016 Street Sweeping Services, for the amount of \$19,200.

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3. Pest Control Services: The Board determined to defer this matter.

Damage to District Irrigation System: Ms. Finn reported to the Board that the District has been reimbursed by Quantico for damage to the District's irrigation system on E. Smoky Hill Road in the amount of \$3,166.

Maintenance Report (Northwest Retail, LLC):

2015 Holiday Season: Director Nemec reported to the Board that holiday lighting has been installed.

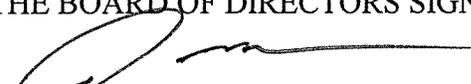
ADJOURNMENT

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.

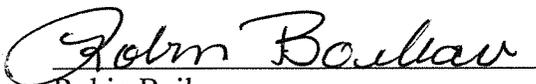
Respectfully submitted,

By 
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 2, 2015
MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BY
THE BOARD OF DIRECTORS SIGNING BELOW:


Jeff Nemec


Kevin McGlynn


Robin Boileau


Joyce Rocha

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ANNUAL ADMINISTRATIVE RESOLUTION
(2016)**

At the special meeting of the Board of Directors (“Board”) of the Southlands Metropolitan District No. 1 (“District”), City of Aurora, Colorado, held at 10:00 A.M., on December 2, 2015, 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; 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 Manager”) 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 the District Manager, 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 the District Manager 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, budget resolution 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 the District Manager 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 the District's 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
Director:	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's Manager 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 corner of S. Aurora Parkway and Orchard Road as the District's 24-hour posting place for notices of meetings.

17. The Board determines to hold regular meetings on first Tuesday in March, June, September and December at ^{10:00} 9:00 A.M. at 6155 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 otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

20. Pursuant to the 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 (the "DEO") of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with § 1-13.5-513, C.R.S.

21. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO 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 and file a copy of such certification with the Division of Securities.

22. The Board directs the District Manger 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 Manger 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 Manger 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 Manger 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 Manger to obtain workers' compensation coverage for the District.

27. The Board hereby directs the District Manger 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 Manger 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.

ADOPTED this 2nd day of December, 2015.

SOUTHLANDS METROPOLITAN DISTRICT
NO. 1



Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

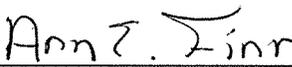
CERTIFICATION OF RESOLUTION

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on December 2, 2015, at 6155 S. Main Street, Suite 260, Aurora, Colorado.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 2nd day of December, 2015.



Signature



Printed Name

RESOLUTION TO AMEND 2015 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 2015 as follows:

General Fund	\$2,360,000
Debt Service Fund	\$3,958,000

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 2015; 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 from 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 2015 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2015, as follows:

General Fund	\$2,700,000
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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 2nd day of December, 2015.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

By: Joyce Rocha
Secretary

RESOLUTION NO. 2015 - 12 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2016 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 2016 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, 2015, 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 2, 2015 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 2016 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.

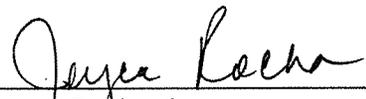
ADOPTED this 2nd day of December, 2015.

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



Jeff Nemec, President

ATTEST:



Joyce Rocha, Secretary

(SEAL)

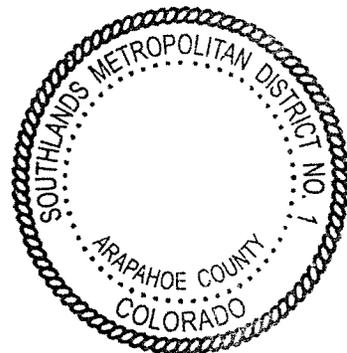


EXHIBIT A
(Budget)



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Southlands Metropolitan District No. 1 for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 11, 2016

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SUMMARY
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 5,100,000	\$ 5,480,699	\$ 5,194,782
REVENUES			
1 Property taxes	4,058,128	4,030,009	4,319,296
2 Specific ownership taxes	295,416	308,000	345,543
3 Facility fees	-	14,174	-
4 Net investment income	6,012	471	6,000
5 Reimbursed expenditures	53,600	-	-
6 General operations fee	1,797,843	1,947,330	2,039,000
7 Miscellaneous income	44,626	38,099	2,500
8 Loan issuance	-	-	4,250,000
Total revenues	<u>6,255,625</u>	<u>6,338,083</u>	<u>10,962,339</u>
TRANSFERS IN			
Total funds available	<u>11,355,625</u>	<u>11,818,782</u>	<u>16,300,546</u>
EXPENDITURES			
General and administration			
9 Accounting	39,090	40,000	40,000
10 Audit	4,800	4,951	5,000
11 Billing services	5,400	5,400	5,400
12 Contingency	-	11,938	12,080
13 County Treasurer's fees	3,958	5,381	7,770
14 District management	42,937	45,000	45,000
15 Dues and membership	1,238	1,238	1,500
16 Election	1,291	-	1,500
17 Insurance	17,478	20,742	25,000
18 Legal	45,259	35,000	30,000
19 Miscellaneous	1,798	2,000	2,000
20 Traffic signal	-	200,000	100,000
Operations and maintenance			
21 Capital reserve study	-	-	30,000
22 Floral	145,100	151,150	151,300
23 Landscape maintenance & irrigation repair	117,931	160,000	170,600
24 Monthly cleaning	196,352	196,000	219,600
25 Pest control	4,595	8,000	10,000
26 Property maintenance	94,744	97,000	100,000
27 Property management	35,568	35,000	40,000
28 Repairs and maintenance	365,075	355,000	208,000
29 Security	32,348	51,700	67,000
30 Signage and decor	48,448	111,000	91,000
31 Snow removal	372,145	750,000	650,000
32 Street lighting/stripping	122,161	130,000	100,000
33 Street repairs/sidewalk	71,371	20,000	30,000
34 Street sweeping	19,200	20,000	20,000
35 Traffic signals maintenance	-	1,500	1,500
36 Utilities	131,438	150,000	150,000
Debt Service			
37 2015 Loan interest	-	-	82,875
38 Bond interest	2,770,644	2,724,238	2,665,738
39 Bond principal	1,125,000	1,170,000	1,305,000
40 Contingency	-	4,280	4,743
41 County Treasurer's fees	56,907	54,982	57,019
42 Paying agent fees	2,650	2,500	2,500
Capital projects			
43 Capital outlay	-	-	4,139,875
44 Sidewalk renovation	-	60,000	-
Total expenditures	<u>5,874,926</u>	<u>6,624,000</u>	<u>10,572,000</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>5,874,926</u>	<u>6,624,000</u>	<u>10,715,425</u>
ENDING FUND BALANCES	<u>\$ 5,480,699</u>	<u>\$ 5,194,782</u>	<u>\$ 5,585,121</u>
EMERGENCY RESERVE	\$ 11,500	\$ 13,500	\$ 16,900
O&M RESERVE	250,000	250,000	300,000
DEBT SERVICE RESERVE	4,612,825	4,942,825	4,612,825
LOAN RESERVE	-	-	143,425
CAPITAL RESERVE	-	3,809,875	-
TOTAL RESERVE	<u>\$ 4,874,325</u>	<u>\$ 9,016,200</u>	<u>\$ 5,073,150</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,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
ASSESSED VALUATION - ARAPAHOE			
Commercial	\$ 51,946,500	\$ 51,368,777	\$ 61,468,962
Vacant Land	750,920	872,989	534,009
Personal Property	5,513,830	5,315,681	5,662,515
State Assessed	1,008,630	1,007,850	962,500
Certified Assessed Value	<u>\$ 59,219,880</u>	<u>\$ 58,565,297</u>	<u>\$ 68,627,986</u>
MILL LEVY			
GENERAL FUND	4.190	6.348	7.548
DEBT SERVICE FUND	57.500	60.000	53.000
Refunds and Abatements	4.658	-	-
Total Mill Levy	<u>66.348</u>	<u>66.348</u>	<u>60.548</u>
PROPERTY TAXES			
GENERAL FUND	\$ 248,131	\$ 371,773	\$ 518,004
DEBT SERVICE FUND	3,405,143	3,513,918	3,637,283
Refunds and Abatements	275,846	-	-
Levied property taxes	3,929,120	3,885,691	4,155,287
Adjustments to actual/rounding	-	-	-
Refund and abatements	(45,433)	(32,289)	-
Budgeted Property Taxes	<u>\$ 3,883,687</u>	<u>\$ 3,853,402</u>	<u>\$ 4,155,287</u>
ASSESSED VALUATION - ARAPAHOE DEBT ONLY			
Commercial	\$ 2,482,980	\$ 2,482,980	\$ 2,703,670
Vacant Land	90	87	145
Personal Property	534,900	445,750	376,408
State Assessed	15,790	14,640	14,290
Certified Assessed Value	<u>\$ 3,033,760</u>	<u>\$ 2,943,457</u>	<u>\$ 3,094,513</u>
MILL LEVY			
DEBT SERVICE FUND	60.000	60.000	53.000
Total Mill Levy	<u>60.000</u>	<u>60.000</u>	<u>53.000</u>
PROPERTY TAXES			
DEBT SERVICE FUND	\$ 182,026	\$ 176,607	\$ 164,009
Levied property taxes	182,026	176,607	164,009
Adjustments to actual/rounding	7,585	-	-
Budgeted Property Taxes	<u>\$ 174,441</u>	<u>\$ 176,607</u>	<u>\$ 164,009</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 263,912	\$ 368,817	\$ 518,004
DEBT SERVICE FUND	3,794,216	3,661,192	3,801,292
	<u>\$ 4,058,128</u>	<u>\$ 4,030,009</u>	<u>\$ 4,319,296</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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016	
BEGINNING FUND BALANCES	\$ 446,065	\$ 705,531	\$ 433,422	
REVENUES				
1 Property taxes	263,912	368,817	518,004	
2 Specific ownership taxes	19,210	28,000	41,440	
3 Facility fees	-	14,174	-	
4 Net investment income	-	(529)	-	
5 Reimbursed expenditures	53,600	-	-	
6 General operations fee	1,797,843	1,947,330	2,039,000	
7 Miscellaneous income	44,626	38,099	2,500	
8 Loan issuance	-	-	4,250,000	
Total revenues	<u>2,179,191</u>	<u>2,395,891</u>	<u>6,850,944</u>	
Total funds available	<u>2,625,256</u>	<u>3,101,422</u>	<u>7,284,366</u>	
EXPENDITURES				
General and administration				
9 Accounting	39,090	40,000	40,000	
10 Audit	4,800	4,951	5,000	
11 Billing services	5,400	5,400	5,400	
12 Contingency	-	11,938	12,080	
13 County Treasurer's fees	3,958	5,381	7,770	
14 District management	42,937	45,000	45,000	
15 Dues and membership	1,238	1,238	1,500	
16 Election	1,291	-	1,500	
17 Insurance	17,478	20,742	25,000	
18 Legal	45,259	35,000	30,000	
19 Miscellaneous	1,798	2,000	2,000	
20 Traffic signal	-	200,000	100,000	275,250
Operations and maintenance				
21 Capital reserve study	-	-	30,000	
22 Floral	145,100	151,150	151,300	
23 Landscape maintenance & irrigation repair	117,931	160,000	170,600	
24 Monthly cleaning	196,352	196,000	219,600	
25 Pest control	4,595	8,000	10,000	
26 Property maintenance	94,744	97,000	100,000	
27 Property management	35,568	35,000	40,000	
28 Repairs and maintenance	365,075	355,000	208,000	
29 Security	32,348	51,700	67,000	
30 Signage and decor	48,448	111,000	91,000	
31 Snow removal	372,145	750,000	650,000	
32 Street lighting/stripping	122,161	130,000	100,000	
33 Street repairs/sidewalk	71,371	20,000	30,000	
34 Street sweeping	19,200	20,000	20,000	
35 Traffic signals maintenance	-	1,500	1,500	
36 Utilities	131,438	150,000	150,000	2,039,000
Debt Service				
37 2015 Loan interest	-	-	82,875	
Capital projects				
38 Capital outlay	-	-	4,139,875	
39 Sidewalk renovation	-	60,000	-	
Total expenditures	<u>1,919,725</u>	<u>2,668,000</u>	<u>6,537,000</u>	
TRANSFERS OUT				
DEBT SERVICE FUND	-	-	143,425	
Total transfers out	<u>-</u>	<u>-</u>	<u>143,425</u>	
Total expenditures and transfers out requiring appropriation	<u>1,919,725</u>	<u>2,668,000</u>	<u>6,680,425</u>	
ENDING FUND BALANCES	<u>\$ 705,531</u>	<u>\$ 433,422</u>	<u>\$ 603,941</u>	
EMERGENCY RESERVE	\$ 11,500	\$ 13,500	\$ 16,900	
O&M RESERVE	250,000	250,000	300,000	
DEBT SERVICE RESERVE	-	330,000	-	
CAPITAL RESERVE	-	3,809,875	-	
TOTAL RESERVE	<u>\$ 261,500</u>	<u>\$ 4,403,375</u>	<u>\$ 316,900</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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

ACTUAL	ESTIMATED	ADOPTED
2014	2015	2016

EXPENDITURES

1	Street repairs (engineering)	\$ 800	\$ -	\$ -
2	Banners	-	15,000	18,000
3	Retaining wall repairs/replace caps	3,400	3,000	10,000
4	Tree replacement/removal	-	15,000	35,000
5	Fountains/chemicals	30,000	30,000	30,000
6	Contingency/other	17,232	152,000	50,000
7	Street light painting	15,000	50,000	15,000
9	Signage program	13,643	30,000	-
10	Site lighting/retrofitting	260,000	-	-
11	Planter renovation	25,000	45,000	-
12	Detention pond	-	15,000	50,000
	TOTAL	\$ 365,075	\$ 355,000	\$ 208,000

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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 4,653,935	\$ 4,775,168	\$ 4,761,360
REVENUES			
1 Property taxes	3,794,216	3,661,192	3,801,292
2 Specific ownership taxes	276,206	280,000	304,103
3 Net investment income	6,012	1,000	6,000
Total revenues	4,076,434	3,942,192	4,111,395
TRANSFERS IN			
GENERAL FUND	-	-	143,425
Total transfers in	-	-	143,425
Total funds available	8,730,369	8,717,360	9,016,180
EXPENDITURES			
Debt Service			
4 Bond interest	2,770,644	2,724,238	2,665,738
5 Bond principal	1,125,000	1,170,000	1,305,000
6 Contingency	-	4,280	4,743
7 County Treasurer's fees	56,907	54,982	57,019
8 Paying agent fees	2,650	2,500	2,500
Total expenditures	3,955,201	3,956,000	4,035,000
Total expenditures and transfers out requiring appropriation	3,955,201	3,956,000	4,035,000
ENDING FUND BALANCES	\$ 4,775,168	\$ 4,761,360	\$ 4,981,180
DEBT SERVICE RESERVE	\$ 4,612,825	\$ 4,612,825	\$ 4,612,825
LOAN RESERVE	-	-	143,425
TOTAL RESERVE	\$ 4,612,825	\$ 4,612,825	\$ 4,756,250

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
2016 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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

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 budget assumes that the District's share will be equal to approximately 8% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget 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.

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2016 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

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.

Debt and Leases

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

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2016, as defined under TABOR.

This information is an integral part of the accompanying budget.

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

Year	\$58,940,000 General Obligation Refunding and Improvement Bonds, Series 2007			\$4,250,000 General Obligation Refunding and Improvement Tax- Free Loan Issue, Series 2015			Bond Debt Service Bonds, Series 2007		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 1,305,000	\$ 2,665,738	\$ 3,970,738	\$ -	\$ 82,875	\$ 82,875			\$ 4,053,613
2017	1,365,000	2,602,363	3,967,363	-	85,000	85,000			4,052,363
2018	1,510,000	2,535,675	4,045,675	245,000	85,000	330,000			4,375,675
2019	1,580,000	2,465,838	4,045,838	245,000	80,100	325,100			4,370,938
2020	1,730,000	2,392,763	4,122,763	250,000	75,200	325,200			4,447,963
2021	1,810,000	2,312,750	4,122,750	255,000	70,200	325,200			4,447,950
2022	1,970,000	2,229,038	4,199,038	260,000	65,100	325,100			4,524,138
2023	2,060,000	2,137,925	4,197,925	165,000	164,725	329,725			4,527,650
2024	2,245,000	2,033,925	4,278,925	170,000	155,650	325,650			4,604,575
2025	2,360,000	1,920,513	4,280,513	180,000	146,300	326,300			4,606,813
2026	2,555,000	1,801,288	4,356,288	190,000	136,400	326,400			4,682,688
2027	2,685,000	1,672,138	4,357,138	200,000	125,950	325,950			4,683,088
2028	2,905,000	1,536,413	4,441,413	210,000	114,950	324,950			4,766,363
2029	3,055,000	1,383,900	4,438,900	225,000	103,400	328,400			4,767,300
2030	3,300,000	1,223,513	4,523,513	235,000	91,025	326,025			4,849,538
2031	3,475,000	1,050,263	4,525,263	250,000	78,100	328,100			4,853,363
2032	3,745,000	867,825	4,612,825	265,000	64,350	329,350			4,942,175
2033	3,940,000	671,213	4,611,213	280,000	49,775	329,775			4,940,988
2034	8,845,000	464,363	9,309,363	625,000	34,375	659,375			9,968,738
	<u>\$ 52,440,000</u>	<u>\$ 33,967,438</u>	<u>\$ 86,407,438</u>	<u>\$ 4,250,000</u>	<u>\$ 1,808,475</u>	<u>\$ 6,058,475</u>			<u>\$ 92,465,913</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 2016, duly adopted at a meeting of the Board of Directors of the Southlands Metropolitan District No. 1 held on December 2, 2015.

By: Joyce D. Rocha
Secretary

RESOLUTION NO. 2015 - 12 - 04

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 2016 annual budget in accordance with the Local Government Budget Law on December 2, 2015; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2016 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 2016 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.

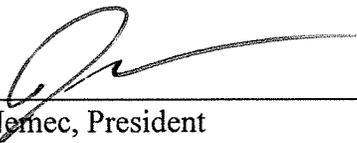
2. That for the purposes of meeting all debt service fund expenses of the District during the 2016 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

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]

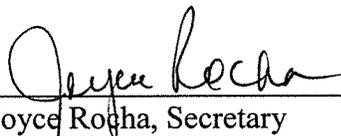
ADOPTED this 2nd day of December, 2015.

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



Jeff Nemec, President

ATTEST:



Joyce Rocha, Secretary

(SEAL)



EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ARAPAHOE COUNTY, Colorado.

On behalf of the SOUTHLANDS METROPOLITAN DISTRICT NO. 1,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the SOUTHLANDS METROPOLITAN DISTRICT NO. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 68,627,986 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 68,627,986 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/04/15 for budget/fiscal year 2016.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>7.548</u> mills	\$ <u>518,004</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	7.548 mills	\$ 518,004
3. General Obligation Bonds and Interest ^J	<u>53.000</u> mills	\$ <u>3,637,283</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	60.548 mills	\$ 4,155,287

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710
Signed: Jason Carroll 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) 864-7720.

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

CERTIFICATION OF TAX LEVIES, continued

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	<u>Refunding and Improvement</u>
	Series:	<u>2007</u>
	Date of Issue:	<u>August 1, 2007</u>
	Coupon Rate:	<u>4.000% - 5.250%</u>
	Maturity Date:	<u>December 1, 2034</u>
	Levy:	<u>53.000</u>
	Revenue:	<u>\$3,637,283</u>

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

CONTRACTS^K:

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

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

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ARAPAHOE COUNTY, Colorado.

On behalf of the SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BONDS,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the SOUTHLANDS METROPOLITAN DISTRICT NO. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 3,094,513 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 3,094,513 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/04/2015 for budget/fiscal year 2016.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest ^J	<u>53.000</u> mills	\$ <u>164,009</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>53.000</u> mills	\$ <u>164,009</u>

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710
Signed: Jason Carroll 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) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
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CERTIFICATION OF TAX LEVIES, continued

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	Coupon Rate:	<u>4.000% - 5.250%</u>
	Maturity Date:	<u>December 1, 2034</u>
	Levy:	<u>53.000</u>
	Revenue:	<u>\$164,009</u>

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

CONTRACTS^K:

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

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

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

**RESOLUTION OF BOARD OF DIRECTORS
REGARDING ELECTION**

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

§§ 32-1-804, 1-1-111(2), 1-13.5-1103(1) and 1-13.5-513(1), C.R.S.

At a meeting of the Board of Directors (the "Board") of the Southlands Metropolitan District No. 1 (the "District"), it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to Article 1 of Title 32, Colorado Revised Statutes (the "Special District Act"); and

WHEREAS, the District is located entirely within City of Aurora, Colorado (the "City");
and

WHEREAS, pursuant to § 32-1-804, C.R.S., the Board governs the conduct of regular and special elections for the District; and

WHEREAS, the Board anticipates holding a regular election on May 3, 2016, for the purpose of electing directors, and desires to take all actions necessary and proper for the conduct thereof (the "Election"); and

WHEREAS, the Election shall be conducted pursuant to the Special District Act, the Colorado Local Government Election Code and the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, including any amendments thereto, and shall also comply with Article X, § 20 of the Colorado Constitution ("TABOR"), as necessary; and

WHEREAS, pursuant to § 1-1-111(2), C.R.S., the Board is authorized to designate an election official (the "Designated Election Official") to exercise authority of the Board in conducting the Election; and

WHEREAS, pursuant to § 1-13.5-513(1), C.R.S., the Board can authorize the Designated Election Official to cancel the Election upon certain conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby calls the Election for the purpose of electing directors. The Election shall be conducted as an independent mail ballot election in accordance with § 1-13.5-1101, *et seq.*, C.R.S., unless otherwise determined at the Board's discretion.
2. The Board names Ann Finn of Special District Management Services, Inc. as the Designated Election Official for the Election. The Designated Election Official shall act as the

primary contact with the County and shall be primarily responsible for ensuring the proper conduct of the Election.

3. Without limiting the foregoing, the following specific determinations also are made:

- a. The Board hereby directs general counsel to the District to approve the final form of the ballot to be submitted to the eligible electors of the District and authorizes the Designated Election Official to certify those questions and take any required action therewith.
- b. The Board hereby directs general counsel to the District to oversee the general conduct of the Election and authorizes the Designated Election Official to take all action necessary for the proper conduct thereof and to exercise the authority of the Board in conducting the Election, including, but not limited to, causing the call for nominations; appointment, training and setting compensation of election judges and a board of canvassers, as necessary; all required notices of election, including notices required pursuant to TABOR; printing of ballots; supervision of the counting of ballots and certification of election results; and all other appropriate actions.

4. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if permitted.

5. The Board hereby ratifies any and all actions taken to date by general counsel and the Designated Election Official in connection with the Election.

6. The Board hereby authorizes and directs the Designated Election Official to cancel the Election and to declare the candidates elected if, at the close of business on the sixty-third day before the Election, or at any time thereafter, there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancellation as necessary and file such notice and cancellation resolutions with the County Clerk and Recorder and with the Division of Local Government, as required. The Designated Election Official also shall notify the candidates that the Election was canceled and that they were elected by acclamation.

7. This Resolution shall remain in full force and effect until repealed or superseded by subsequent official action of the Board.

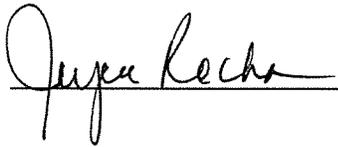
ADOPTED AND APPROVED THIS 2ND DAY OF DECEMBER, 2015.

SOUTHLANDS METROPOLITAN DISTRICT NO.
1

By: 

Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District