

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 3, 2013

A regular 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 Tuesday, the 3rd day of December, 2013, at 9:00 A.M., at the offices of 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 Nemeč
Kevin McGlynn
Robin Boileau
Joyce Rocha

Following discussion, upon motion duly made by Director Nemeč, seconded by Director Boileau and, upon vote, unanimously carried, the absence of Jose Inclan was excused and Director Rocha was appointed as the Acting Secretary for this meeting only.

Also In Attendance Were:

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

Clint Waldron, Esq.; White, Bear & Ankele 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. It was noted that Directors Nemeč, McGlynn, Boileau, Inclan and Rocha's Disclosure Statements had been filed.

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ADMINISTRATIVE MATTERS

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

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

Minutes: The Board reviewed the Minutes of the November 4, 2013 special meeting.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Nemec and, upon vote, unanimously carried, the Minutes of the November 4, 2013 special meeting were approved.

2014 Meeting Dates: Ms. Finn reviewed the business to be conducted in 2014 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Boileau, seconded by Director Rocha and, upon vote, unanimously carried, the Board determined to meet on March 4, June 3, September 9 and December 2, 2014, at 9:00 a.m., at the offices of Southlands Shopping Center, Management Office, 6155 S. Main Street, #260, Aurora, CO 80016.

2014 Annual Administrative Matters Resolution: Attorney Waldron reviewed the 2014 Annual Administrative Matters Resolution with the Board.

Following discussion, upon motion duly made by Director Rocha, seconded by Director McGlynn, and upon vote, unanimously carried, the Board adopted the 2014 Annual Administrative Matters Resolution which is attached hereto and incorporated herein by this reference.

Public Comments: There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the periods ending September 10, 2013, totaling \$63,815.73, October 16, 2013, totaling \$120,513.62 and November 19, 2013, totaling \$103,411.08.

Following review and discussion, upon motion duly made by Director Rocha, seconded by Director McGlynn and, upon vote, the Board ratified approval of the payment of claims through the periods ending September 10, 2013, totaling \$63,815.73, October 16, 2013, totaling \$120,513.62 and November 19, 2013, totaling \$103,411.08.

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Signers on Checking Account: The Board entered into discussion regarding signers on the District's checking account.

Following discussion, upon motion duly made by Director Rocha, seconded by Director McGlynn and, upon vote, the Board authorized Director Boileau as a signer on the District's checking account.

Financial Statements: Ms. Dam reviewed with the Board the unaudited financial statements for the period ending September 30, 2013, cash position statement dated November 21, 2013 and reconciliation of the operations fees.

Following review and discussion, upon motion duly made by Director McGlynn, seconded by Director Boileau and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2013, cash position statement dated November 21, 2013 and reconciliation of the operations fees, as presented.

2013 Audit: The Board reviewed the engagement letter from Wagner, Barnes & Griggs, PC to perform the 2013 Audit.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the engagement of Wagner, Barnes & Griggs, PC to perform the 2013 Audit, for an amount not to exceed \$4,800.

2014 Professional Services Agreement with CliftonLarsonAllen LLP: Ms. Dam reviewed with the Board the 2014 Professional Services Agreement with CliftonLarsonAllen LLP as the District Accountant.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved the 2014 Professional Services Agreement with CliftonLarsonAllen LLP as the District Accountant.

2013 Budget Amendment Hearing: The Board entered into discussion regarding the need for a 2013 Budget Amendment.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2013 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

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Following discussion, the Board determined that a 2013 Budget Amendment was not needed.

2014 Budget Hearing: The President opened the public hearing to consider the proposed 2014 Budget and discuss related issues.

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

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

Ms. Dam reviewed the estimated 2013 expenditures and the proposed 2014 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2014 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 4.190 mills and the Debt Service Fund at 57.500 mills and Refunds and Abatements at 4.658 mills, for a total mill levy of 66.348 mills). Upon motion duly made by Director McGlynn, seconded by Director Boileau 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, 2013. 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, 2013. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2014. Copies of the adopted Resolutions are attached to these Minutes 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 McGlynn, seconded by Director Boileau 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.

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LEGAL MATTERS

Updated White, Bear and Ankele, PC Engagement Letter: The Board reviewed the updated Engagement Letter from White, Bear and Ankele, PC for legal services.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the updated Engagement Letter from White, Bear and Ankele, PC for legal services.

Resolution regarding Regular Special District Election on May 6, 2014: Attorney Waldron discussed with the Board the upcoming election and reviewed the Resolution regarding the Regular Special District Election on May 6, 2014 (“Election Resolution”).

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Nemeč and, upon vote, unanimously carried, the Board adopted the Election Resolution and appointed Ann Finn as the Designated Election Official and authorized her to perform all tasks required for the May 6, 2014 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Update to the Colorado Open Records Act and Public Records Request Policy: Attorney Waldron discussed with the Board revisions to the Colorado Open Records Act based on new legislation and the Board considered approval of a Public Records Request Policy.

Following discussion, upon motion duly made by Director Nemeč, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved the Public Records Request Policy.

Special District Public Disclosure Document: Attorney Waldron discussed with the Board new legislation concerning additional disclosure requirements for special districts. It was noted that this disclosure requirement would be an administrative duty of the District and that the disclosure document needs to be recorded by December 31, 2014.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Boileau and, upon vote, unanimously carried, the Board approved the Special District Public Disclosure Document.

2012 Annual Report to the City of Aurora: The Board entered into discussion regarding the 2012 Annual Report required by the City of Aurora in the District’s Service Plan.

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Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board ratified approval of the 2012 Annual Report to the City of Aurora.

OPERATIONS

Maintenance Report from Northwood Retail LLC ("Northwood"):

Seasonal Banners: Director Nemec reported to the Board that the seasonal banners have been installed.

Seasonal Lighting: Director Nemec reported to the Board that the seasonal lights have been installed and that the ice rink has been set up.

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

Proposal for Retrofitting Site Lighting Services from Colorado Lighting, Inc.: The Board entered into discussion regarding a proposal for retrofitting site lighting services from Colorado Lighting, Inc.

Following discussion, the Board determined to defer action on this item until the next Board meeting.

OTHER BUSINESS

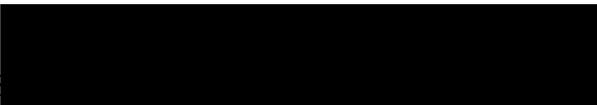
§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2014: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2014.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website.

ADJOURNMENT

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

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 3, 2013
MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BY
THE BOARD OF DIRECTORS SIGNING BELOW:

[REDACTED]

Jeff Nemec

[REDACTED]

Kevin McGlynn

[REDACTED]

Robin Boileau

Jose Inclan

[REDACTED]

Joyce Rocha

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ANNUAL ADMINISTRATIVE RESOLUTION
(2014)

At the regular meeting of the Board of Directors ("Board") of the Southlands Metropolitan District No. 1 ("District"), in the City of Aurora, Arapahoe County, Colorado, held at 9:00 A.M., on December 3, 2013, 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 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 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 § 29-1-605(2) 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 forms and directs the District 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
Treasurer:	Robin Boileau
Secretary:	Jose Inclan
Assistant Secretary:	Joyce Rocha-Brown
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 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 the 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 March 4, June 3, September 9 and December 2 at 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 § 1-7.5-104, C.R.S., the Board hereby deems that all regular and special elections of the District be conducted by mail ballot 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 days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

23. The Board directs legal counsel 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 legal counsel to prepare and record with the County clerk and recorder, on or before December 31, 2014, the disclosure statement notice and map required by § 32-1-104.8, C.R.S.

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.

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RESOLUTION APPROVED AND ADOPTED THIS 3RD DAY OF DECEMBER, 2013.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1



Officer of District

ATTEST:



1
J

APPROVED AS TO FORM:
WHITE, BEAR & ANKELE,
Professional Corporation



General Counsel to the District (s)

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 regular meeting held on Tuesday, December 3, 2013, 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 3rd day of December, 2013.



RESOLUTION NO. 2013 - 12 - 2

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2014 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 2014 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, 2013, 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 3, 2013 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 2014 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 3rd day of December, 2013.

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


Jeff Nempc, President

ATTEST:


Jose Inclan, Secretary

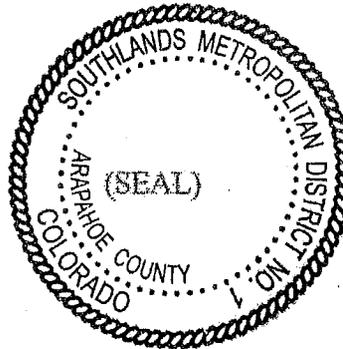


EXHIBIT A
(Budget)



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

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, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, 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 2012 is presented for comparative purposes only. Such information is taken from the 2012 audit report of the District for the year ended December 31, 2012, as prepared by Wagner Barnes & Griggs, PC, dated July 30, 2013, in which an unqualified 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 4, 2013

SOUTHLANDS METROPOLITAIN DISTRICT NO 1
SUMMARY
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 4,661,052	\$ 4,908,887	\$ 4,844,426
REVENUES			
1 Property taxes	4,034,122	3,700,685	4,103,561
2 Specific ownership taxes	260,367	276,962	287,281
3 Facility fees	-	13,954	-
4 Net investment income	13,016	7,360	12,000
5 Other income	23,608	4,978	-
6 General operations fee	1,519,149	1,854,600	1,854,600
Total revenues	<u>5,850,262</u>	<u>5,858,539</u>	<u>6,257,442</u>
TRANSFERS IN			
Total funds available	<u>10,511,314</u>	<u>10,776,722</u>	<u>11,101,868</u>
EXPENDITURES			
General and administration			
7 Accounting	32,240	40,000	40,000
8 Audit	4,801	4,950	5,000
9 Billing services	4,800	5,000	5,400
10 Contingency	-	12,205	12,497
11 County Treasurer's fees	4,284	3,859	4,003
12 District management	38,844	45,000	45,000
13 Dues and membership	1,668	1,238	1,500
14 Election	870	-	1,000
15 Insurance	16,670	19,148	21,000
16 Legal	29,897	30,000	30,000
17 Miscellaneous	2,759	2,500	3,000
Operations and maintenance			
18 Floral	181,536	182,000	150,000
19 Landscape maintenance & irrigation repair	124,306	150,000	100,000
20 Monthly cleaning	191,162	191,000	196,000
21 Pest control	-	5,000	5,000
22 Property maintenance	92,260	87,500	91,000
23 Property management	36,074	40,000	40,000
24 Repairs and maintenance	100,224	130,000	177,600
25 Retaining wall drainage	-	36,000	-
26 Security	31,171	32,000	32,000
27 Signage and decor	66,403	55,000	65,000
28 Snow removal	367,342	600,000	600,000
29 Street lighting/stripping	120,818	86,000	86,000
30 Street sweeping	21,600	21,600	20,000
31 Street/sidewalk repairs	-	60,000	42,000
32 Utilities	248,375	200,000	250,000
Debt Service			
33 Bond interest	2,850,244	2,811,244	2,770,644
34 Bond principal	975,000	1,015,000	1,125,000
35 Contingency	-	2,605	4,306
36 County Treasurer's fees	56,279	51,651	57,550
37 Paying agent fees	2,800	2,500	2,500
Total expenditures	<u>5,602,427</u>	<u>5,923,000</u>	<u>5,983,000</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>5,602,427</u>	<u>5,932,296</u>	<u>5,983,000</u>
ENDING FUND BALANCES	<u>\$ 4,908,887</u>	<u>\$ 4,844,426</u>	<u>\$ 5,118,868</u>
EMERGENCY RESERVE	\$ 9,900	\$ 8,500	\$ 8,600
O&M RESERVE	-	100,000	200,000
DEBT SERVICE RESERVE	4,612,825	4,612,825	4,612,825
TOTAL RESERVE	<u>\$ 4,622,725</u>	<u>\$ 4,721,325</u>	<u>\$ 4,821,425</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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/4/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
ASSESSED VALUATION - ARAPAHOE			
Commercial	\$ 58,384,200	\$ 58,940,670	\$ 51,946,500
Vacant Land	1,113,540	967,010	750,920
Personal Property	6,504,750	5,687,790	5,513,830
State Assessed	1,008,660	1,024,610	1,008,630
Certified Assessed Value	<u>\$ 67,011,150</u>	<u>\$ 66,620,080</u>	<u>\$ 59,219,880</u>
MILL LEVY			
GENERAL FUND	4.190	4.190	4.190
DEBT SERVICE FUND	52.500	53.500	57.500
Refunds and Abatements	0.771	-	4.658
Total Mill Levy	<u>57.461</u>	<u>57.690</u>	<u>66.348</u>
PROPERTY TAXES			
GENERAL FUND	\$ 280,777	\$ 279,138	\$ 248,131
DEBT SERVICE FUND	3,518,085	3,564,174	3,405,143
Refunds and Abatements	51,666	-	275,846
Levied property taxes	3,850,528	3,843,312	3,929,120
Adjustments to actual/rounding	-	(38,414)	-
Refund and abatements	11,722	(275,915)	-
Budgeted Property Taxes	<u>\$ 3,862,250</u>	<u>\$ 3,528,983</u>	<u>\$ 3,929,120</u>
ASSESSED VALUATION - ARAPAHOE DEBT ONLY			
Commercial	\$ 2,610,000	\$ 2,610,000	\$ 2,482,980
Vacant Land	90	90	90
Personal Property	662,990	583,360	534,900
State Assessed	15,940	15,940	15,790
Certified Assessed Value	<u>\$ 3,289,020</u>	<u>\$ 3,209,390</u>	<u>\$ 3,033,760</u>
MILL LEVY			
DEBT SERVICE FUND	52.500	53.500	57.500
Total Mill Levy	<u>52.500</u>	<u>53.500</u>	<u>57.500</u>
PROPERTY TAXES			
DEBT SERVICE FUND	\$ 172,674	\$ 171,702	\$ 174,441
Levied property taxes	172,674	171,702	174,441
Adjustments to actual/rounding	802	-	-
Budgeted Property Taxes	<u>\$ 171,872</u>	<u>\$ 171,702</u>	<u>\$ 174,441</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 285,368	\$ 257,285	\$ 266,867
DEBT SERVICE FUND	3,748,754	3,443,400	3,836,694
	<u>\$ 4,034,122</u>	<u>\$ 3,700,685</u>	<u>\$ 4,103,561</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
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

12/4/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014	
BEGINNING FUND BALANCES	\$ (4,880)	\$ 123,802	\$ 210,691	
REVENUES				
1 Property taxes	285,368	257,285	266,867	
2 Specific ownership taxes	18,418	19,262	18,681	
3 Net investment income	243	60	-	
4 Other income	23,608	4,978	-	
5 General operations fee	1,519,149	1,854,600	1,854,600	
Total revenues	<u>1,846,786</u>	<u>2,136,185</u>	<u>2,140,148</u>	
Total funds available	<u>1,841,906</u>	<u>2,259,987</u>	<u>2,350,839</u>	
EXPENDITURES				
General and administration				
6 Accounting	32,240	40,000	40,000	
7 Audit	4,801	4,950	5,000	
8 Billing services	4,800	5,000	5,400	
9 Contingency	-	12,205	12,497	
10 County Treasurer's fees	4,284	3,859	4,003	
11 District management	38,844	45,000	45,000	
12 Dues and membership	1,668	1,238	1,500	
13 Election	870	-	1,000	
14 Insurance	16,670	19,148	21,000	
15 Legal	29,897	30,000	30,000	
16 Miscellaneous	2,759	2,500	3,000	168,400
Operations and maintenance				
17 Floral	181,536	182,000	150,000	
18 Landscape maintenance & irrigation repair	124,306	150,000	100,000	
19 Monthly cleaning	191,162	191,000	196,000	
20 Pest control	-	5,000	5,000	
21 Property maintenance	92,260	87,500	91,000	
22 Property management	36,074	40,000	40,000	
23 Repairs and maintenance	100,224	130,000	177,600	
24 Retaining wall drainage	-	36,000	-	
25 Security	31,171	32,000	32,000	
26 Signage and decor	66,403	55,000	65,000	
27 Snow removal	367,342	600,000	600,000	
28 Street lighting/stripping	120,818	86,000	86,000	
29 Street sweeping	21,600	21,600	20,000	
30 Street/sidewalk repairs	-	60,000	42,000	
31 Utilities	248,375	200,000	250,000	1,854,600
Total expenditures	<u>1,718,104</u>	<u>2,040,000</u>	<u>2,023,000</u>	
TRANSFERS OUT				
DEBT SERVICE FUND				
Total transfers out	-	9,296	-	
Total expenditures and transfers out requiring appropriation	<u>1,718,104</u>	<u>2,049,296</u>	<u>2,023,000</u>	
ENDING FUND BALANCES	<u>\$ 123,802</u>	<u>\$ 210,691</u>	<u>\$ 327,839</u>	
EMERGENCY RESERVE	\$ 9,900	\$ 8,500	\$ 8,600	
O&M RESERVE	-	100,000	200,000	
TOTAL RESERVE	<u>\$ 9,900</u>	<u>\$ 108,500</u>	<u>\$ 208,600</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 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2013

ACTUAL	ESTIMATED	ADOPTED
2012	2013	2014

EXPENDITURES

1	Street repairs (engineering)	\$ 17,573	\$ -	\$ -
2	Mortar repairs	20,665	-	-
3	Banners	435	3,000	5,000
4	Retaining wall repairs/replace caps	475	-	-
5	Tree replacement/removal	300	15,000	15,000
6	Globe cleaning and replacement	-	2,500	-
7	Fountains/chemicals	23,987	23,000	20,000
8	Contingency/other	15,653	38,500	22,600
9	Street light painting	5,772	8,000	10,000
10	Monument mudjacking	-	5,000	-
11	Detention pond 950/erosion	-	3,000	-
12	Asphalt & sidewalk repairs	15,364	12,000	-
13	Signage program	-	20,000	30,000
14	Site lighting/retrofitting	-	-	60,000
15	Planter renovation	-	-	15,000
	TOTAL	\$ 100,224	\$ 130,000	\$ 177,600

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 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 4,665,932	\$ 4,785,085	\$ 4,633,735
REVENUES			
1 Property taxes	3,748,754	3,443,400	3,836,694
2 Specific ownership taxes	241,949	257,700	268,600
3 Facility fees	-	13,954	-
4 Net investment income	12,773	7,300	12,000
Total revenues	<u>4,003,476</u>	<u>3,722,354</u>	<u>4,117,294</u>
TRANSFERS IN			
GENERAL FUND	-	9,296	-
Total transfers in	<u>-</u>	<u>9,296</u>	<u>-</u>
Total funds available	<u>8,669,408</u>	<u>8,516,735</u>	<u>8,751,029</u>
EXPENDITURES			
Debt Service			
5 Bond interest	2,850,244	2,811,244	2,770,644
6 Bond principal	975,000	1,015,000	1,125,000
7 Contingency	-	2,605	4,306
8 County Treasurer's fees	56,279	51,651	57,550
9 Paying agent fees	2,800	2,500	2,500
Total expenditures	<u>3,884,323</u>	<u>3,883,000</u>	<u>3,960,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,884,323</u>	<u>3,883,000</u>	<u>3,960,000</u>
ENDING FUND BALANCES	<u>\$ 4,785,085</u>	<u>\$ 4,633,735</u>	<u>\$ 4,791,029</u>
DEBT SERVICE RESERVE	<u>\$ 4,612,825</u>	<u>\$ 4,612,825</u>	<u>\$ 4,612,825</u>
TOTAL RESERVE	<u>\$ 4,612,825</u>	<u>\$ 4,612,825</u>	<u>\$ 4,612,825</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
2014 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
2014 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, 4.190 mills for operations, 57.500 mills for debt service, and 4.658 mills for abatements.

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 0.25%.

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
2014 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 2014, 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>
2014	\$ 1,125,000	\$ 2,770,644	\$ 3,895,644
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>\$ 54,735,000</u>	<u>\$ 39,462,319</u>	<u>\$ 94,197,319</u>

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

CERTIFICATION:

I, Jose Inolan, 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 2014, duly adopted at a meeting of the Board of Directors of the Southlands Metropolitan District No. 1 held on December 3, 2013.

By: 

Secretary 

RESOLUTION NO. 2013 - 12 - 3

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 2014 annual budget in accordance with the Local Government Budget Law on December 3, 2013; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2014 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 2014 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 2014 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.

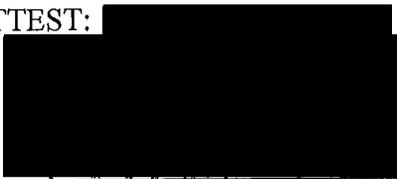
[Signatures on Following Page]

ADOPTED this 3rd day of December, 2013.

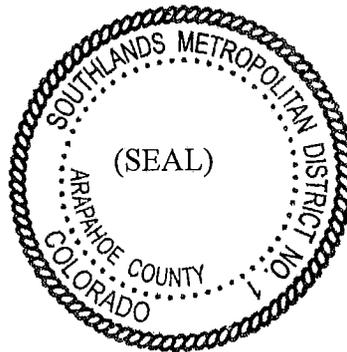
SOUTHLANDS METROPOLITAN
DISTRICT NO. 1, a quasi-municipal
corporation and political subdivision of the
State of Colorado

Jeff Nemeec, President

ATTEST:

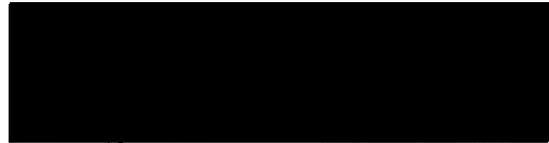


Jose Inclan, Secretary



ADOPTED this 3rd day of December, 2013.

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



Jeff Memec, President

ATTEST:

Jose Inclan, Secretary

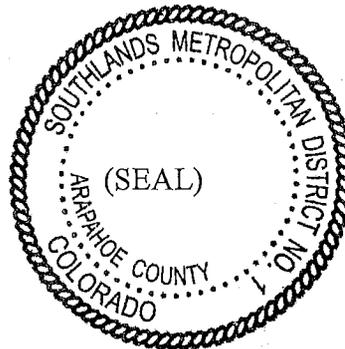


EXHIBIT A
(Certification of Tax Levies)

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 \$ 59,219,880 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: \$ 59,219,880 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/03/2013 for budget/fiscal year 2014.
(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>4.190</u> mills	<u>\$ 248,131</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	4.190 mills	\$ 248,131
3. General Obligation Bonds and Interest ^J	<u>57.500</u> mills	<u>\$ 3,405,143</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	<u>4.658</u> mills	<u>\$ 275,846</u>
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	66.348 mills	\$ 3,929,120

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710
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-I-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.

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:

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: 57.500
Revenue: \$ 3,405,143

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 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 \$ 3,033,760 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^B)

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: \$ 3,033,760 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/03/2013 for budget/fiscal year 2014
(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>57.500</u> mills	\$ <u>174,441</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>57.500</u> mills	<u>\$174,441</u>

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

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:

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: 57.500
Revenue: \$174,441

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.

**RESOLUTION OF
SOUTHLANDS METROPOLITAN DISTRICT NO. 1
REGARDING THE REGULAR SPECIAL DISTRICT ELECTION
(§§32-1-804, 1-1-111(2) and 1-5-208(1.5), C.R.S.)**

WHEREAS, Southlands Metropolitan District No. 1 (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 the City of Aurora, Arapahoe County, Colorado (the "County"); and

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

WHEREAS, the Board anticipates holding an election for the purpose of electing directors and submitting ballot issues and/or questions to eligible electors of the District and desires to take all actions necessary and proper in anticipation of conducting the special district election on May 6, 2014 (the "Election"); and

WHEREAS, the Election shall be conducted pursuant to the Special District Act and the Uniform Election Code of 1992, including any amendments thereto, and shall also comply with Article X, § 20 of the Colorado Constitution 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 § 1-5-208, 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 and presenting certain ballot issues and/or questions to the electorate. The Election shall be conducted as a mail ballot election 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 to the County Clerk and Recorder if the Election is coordinated therewith.

- b. The Board hereby directs general counsel 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 exercise authority of the Board in conducting the Election.

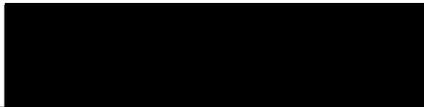
4. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if necessary, including those costs incurred pursuant to the terms and conditions of an election agreement with the County, if any.

5. The Board ratifies any 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 declare the candidates elected if, at the close of business on the sixty-third (63) day before the Election, 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 needed. The Designated Election Official also shall notify the candidates that the Election was canceled and they were elected by acclamation.

ADOPTED AND APPROVED THIS 3RD DAY OF DECEMBER, 2013.

**SOUTHLANDS METROPOLITAN DISTRICT
NO. 1**

By: 

Officer of the District

ATTEST:



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SOUTHLANDS METROPOLITAN DISTRICT NO. 1
PUBLIC RECORDS REQUEST POLICY
Adopted December 3, 2013

I. Purposes of the District's Public Records Request Policy

This Public Records Request Policy of the Southlands Metropolitan District No. 1 (the "District") shall be applied and interpreted with the following purposes in mind:

- a. To adopt a Public Records Request Policy pursuant to Section 24-72-203(1), C.R.S.;
- b. To provide access to and the protection and integrity of Public Records in the custody of the District;
- c. To prevent unnecessary interference with the regular discharge of the duties of the District and its manager in compliance with the Colorado Open Records Act, Section 24-72-201 to 24-72-309, C.R.S. ("CORA");
- d. To establish reasonable and standardized fees for producing copies of and information from records maintained by the District as authorized by CORA; and
- e. To set forth a general procedure for providing consistent, prompt and equitable service to those requesting access to Public Records.

II. Public Records Requests

A. Applicability

This Public Records Request Policy applies to requests submitted to the District for the inspection of Public Records pursuant to CORA, and shall supersede any previously adopted CORA policies of the District.

B. Definitions

1. **"Custodian"**: Except as otherwise provided in this policy, the term "Custodian" shall mean Special District Management Services, Inc., or any successor that has been designated by the Board of the District to oversee the collection, retention, and retrieval of Public Records of the District.

2. **"Public Records"**: As defined in Section 24-72-202, C.R.S.

C. Submission of Requests

1. Requests for inspection of Public Records are to be submitted in writing on an official request form to the Custodian and must be sufficiently specific as to enable the Custodian to locate the information requested with reasonable effort. The District has determined that the use of an official request form is necessary for the efficient handling of Public Records requests.

2. Requests may be submitted by mail, fax, e-mail, or hand-delivery.
3. A request shall be considered made when the request is actually received by the Custodian:
 - a. A letter is received when it is opened in the usual course of business by the recipient or a person authorized to open the recipient's mail;
 - b. A fax is received when it is printed during regular business hours, or if received after hours, at 8:30 a.m. on the following business day; and
 - c. An e-mail is received when it is received and opened during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day.
4. If a deposit is required, the request is not considered received until the deposit is paid.

D. Inspection

1. The Custodian or the Custodian's designee shall make the requested Public Records available for inspection during regular business hours, deemed to be from 8:30 a.m. to 4:30 p.m., Monday through Friday, except for times the Custodian's office is closed. During the inspection of Public Records, the Custodian may request the requestor follow certain procedures to protect the integrity of the Public Records.
2. If a Public Record is not immediately or readily available for inspection, the Custodian or the Custodian's designee shall make an appointment or other arrangements with the applicant concerning the time at which the requested record will be available. The Public Records shall be made available for inspection within a reasonable time, which is presumed to be three (3) working days or less from the date of receipt of the request. Such three (3) day period may be extended by an additional seven (7) working days if extenuating circumstances, as described in Section 24-72-203(3)(b), C.R.S., exist. Responding to applications for inspection of Public Records need not take priority over the previously scheduled work activities of the Custodian or the Custodian's designee.
3. All Public Records to which the request applies shall be preserved from the date of the request until such time as set forth in the District's records maintenance, retention, or deletion policy or practices utilized by the Custodian.
4. No one shall remove a Public Record from the Custodian's offices without the permission of the Custodian. Public Records may be removed from file folders or places of storage for photocopying by the Custodian or the Custodian's designee. The Custodian may allow a person to use his or her own portable electronic equipment to make copies of Public Records.
5. As a general practice, in response to a Public Records request:
 - a. Public Records in hard copy, paper, published, or documentary form shall be made available for inspection;

b. A document will not ordinarily be created in order to respond to such a request;

c. In the case of e-mail that is a Public Record, paper copies of such e-mail that is a Public Record will be made available by the Custodian in response to such a request;

d. The person making the request shall not be allowed to access the Custodian's computer or any other computer for purposes of inspecting any Public Records;

e. Any portion of a Public Record containing non-public information that is not subject to inspection may be redacted by the Custodian prior to making the record available for inspection. The Custodian is not required to redact information from a writing that is not a Public Record in order to make the writing available for inspection. *Denver Publishing Co. v. Bd. of County Comm'rs of the County of Arapahoe*, 121 P.3d 190 (Colo. 2005); *Colorado Republican Party v. Benefield, et al.*, Court of Appeals No. 07CA1216, Oct. 23, 2008 (Unpublished).

f. The Custodian, in consultation with the District's general counsel, will determine which information is no longer considered "work-in-progress" subject to the deliberative process or work product privilege and therefore eligible for release.

6. Where a request seeks in excess of 25 e-mails or other electronically-stored Public Records, the Custodian may elect to produce Public Records in electronic form on a disk or comparable media. The following procedure shall apply in responding to such a request:

a. The Custodian shall solicit the comments of the requestor regarding any search terms to be used to locate and extract such records, and, in doing so, will seek to have the request refined so that it does not result in an inordinate number of irrelevant or duplicating documents, it being understood that the Custodian will make the final determination regarding search terms;

b. The Custodian shall designate an employee or another person with experience in performing electronic searches to locate and extract responsive records;

c. The person who is designated to perform the searches shall consult, as appropriate, with legal counsel to identify privileged records that should not be produced; and

d. Where appropriate, legal counsel shall conduct a final review to identify and withhold privileged records.

7. The Custodian or the Custodian's designee shall deny the inspection of the records if such inspection would be contrary to federal or state law or regulation or would violate a court order. In special circumstances, a Custodian shall deny inspection of the Public Records if such inspection would cause substantial injury to the public interest. Such a denial shall be made in writing by the Custodian to the person making the request and shall set forth with

specificity the grounds of the denial. It is not necessary to state a ground for denial of access for each document if a specific ground is applicable to a group of documents.

8. If the Public Records requested are not in the custody or control of the Custodian, the Custodian shall notify the requestor of this fact in writing. In such notification, the Custodian shall state in detail to the best of his/her knowledge and belief the reason for the absence of the Public Records, the location of the Public Records, and what person then has custody or control of the Public Records.

9. All Public Records, regardless of storage format, will be administered in accordance with approved retention schedules. The District reserves the right to adopt the records retention policy that has been promulgated by the Custodian.

E. Fees for All Record Requests

1. **Fees for standard reproductions.** The Custodian or the Custodian's designee shall charge a fee not to exceed twenty-five cents per page for any photocopies or printed copies of electronic records that are required to make a Public Record available. Other reproductions of Public Records shall be provided at a cost not to exceed the actual cost of the reproduction. Such fees shall be paid by the applicant prior to the receipt of copies of any Public Records. Requests expected to exceed a total charge of \$10.00 or more must be accompanied by a deposit equal to the reasonably-estimated reproduction costs. This deposit will be credited toward the total fee, and the total fee shall be paid prior to release of the requested records. In the event the deposit amount exceeds the actual costs, the balance will be refunded.

2. **Transmission fees.** No fees related to transmission shall be charged for transmitting public records via electronic mail. Within the period specified in Section 24-72-203, C.R.S. the custodian shall notify the record requester that a copy of the record is available but will only be sent to the requester once the custodian receives payment for postage if the copy is transmitted by United States mail, or payment for the cost of delivery if the copy is transmitted other than by United States mail, and payment for any other supplies used in the mailing, delivery, or transmission of the record and for all other costs associated with producing the record. Upon receiving such payment, the custodian shall send the record to the requester as soon as practicable but no more than three business days after receipt of such payment.

3. **Fees for search, retrieval and legal review:**

a. In the case of any request requiring more than one-half hour of time for search, retrieval, supervision of inspection, copying, manipulation, redaction or legal counsel review to identify and withhold privileged records, the Custodian or the Custodian's designee may charge a nominal hourly fee for such time. The Custodian may base this hourly fee upon the estimated average salary and benefits paid by the Custodian for the staff involved. See *Black v. S.W. Water Conserv. Dist.*, 74 P.3d 462 (Colo. App. 2003) and *Mountain-Plains Investment Corporation et al. v. Parker Jordan Metropolitan District*, Court of Appeals No. 12CA1034, August 15, 2013. This nominal fee shall not exceed \$30.00 per hour. Prior to performing any services necessary to respond to a request, the Custodian or the Custodian's designee shall require the applicant to pay a deposit equal to the reasonably-estimated fees that will be charged by the Custodian for such staff time. Before receiving any records, the applicant shall also pay

the amount by which the cost of any open records services exceeds the deposit. The District shall promptly refund the amount by which the deposit exceeds the cost of any open records services.

b. To the extent possible, the Custodian shall utilize administrative or clerical staff for search and retrieval of Public Records who are ordinarily responsible for such duties to ensure that the fees charged for staff time in connection with the request represent costs incurred in the ordinary course of business and not extraordinary charges.

Signature page follows.

APPROVED AND ADOPTED THIS 3RD DAY OF DECEMBER, 2013.

**SOUTHLANDS METROPOLITAN DISTRICT
NO. 1**



Officer of District

ATTEST:

