

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD SEPTEMBER 10, 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 10th day of September, 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 Nemec
Kevin McGlynn
Robin Boileau
Jose Inclan
Joyce Rocha

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 by Attorney Waldron that Directors Nemec, McGlynn, Boileau, Inclan and Rocha's Disclosure Statements had been filed.

ADMINISTRATIVE MATTERS

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

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

Minutes: The Board reviewed the Minutes of the June 4, 2013 regular meeting.

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

CONSENT AGENDA: The Board considered the following actions:

- Ratify Change Order No. 1 to the Contactor Agreement for Street Drainage Project between the District and L& M Enterprises Inc. for the removal and replacement of additional asphalt material in the amount of \$3,245.70.
- Ratify proposal for 2013 plant health care for plaza fir tree from Western Proscapes, Inc. in the amount of \$1,194.
- Ratify proposal for 2013 stump removal and tree replacement from Western Proscapes, Inc. in the amount of \$3,379.
- Ratify proposal for tree wrapping from Western Proscapes, Inc. in the amount of \$1,633.
- Ratify proposal for tree replacements from Western Proscapes, Inc. in the amount of \$6,287.50.
- Ratify proposal for landscape/floral renovation work from Western Proscapes, Inc. in the amount of \$2,979.
- Ratify proposal for concrete work from ASAP Asphalt & Concrete, Inc. in the amount of \$3,300.
- Ratify proposal for maintenance work on the directional signage from Gordon Sign in the amount of \$2,251.57.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

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 June 17, 2013, totaling \$98,112.81, July 19, 2013, totaling \$188,328.08, August 20, 2013, totaling \$157,716.57 and September 10, 2013, totaling \$62,815.75.

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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 June 17, 2013, totaling \$98,112.81, July 19, 2013, totaling \$188,328.08, August 20, 2013, totaling \$157,716.57 and September 10, 2013, totaling \$62,815.75.

Financial Statements: Ms. Dam reviewed with the Board the unaudited financial statements for the period ending June 30, 2013, cash position statement dated August 29, 2013 and reconciliation of the operations fees.

Following review and discussion, upon motion duly made by Director Rocha, seconded by Director Boileau and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending June 30, 2013, cash position statement dated August 29, 2013 and reconciliation of the operations fees, as presented.

2014 Budget Work Session: The Board discussed the need to schedule a work session to review the 2014 Budget.

Following discussion, the Board appointed Directors Nemec and Boileau, Ms. Dam and Ms. Finn to the budget committee to prepare a draft 2014 Budget for the Board's consideration and scheduled a work session for Monday, November 4, 2013 at 9:30 a.m. at the regular meeting location.

LEGAL MATTERS

Rules and Regulations Establishing Policies and Procedures for Non-commercial Expression: The Board deferred discussion until the next meeting.

OPERATIONS

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

Installation of Artificial Turf, Playground Equipment and Canopy in the Plaza Area: Director Nemec reported to the Board that installation of the artificial turf, playground equipment and canopy in the plaza area is 100% complete.

Holiday Banners: Director Nemec reported that he expects the holiday banners to be installed by November 15, 2013.

Fountains: Director Nemec reported to the Board that the fountains will be shut down for the season soon, depending on the weather.

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

Street Drainage Project: The Board entered into discussion regarding the Street Drainage Project with L & M Enterprises Inc. Ms. Finn noted for the Board that the project was 100% complete and that the total cost for the project was \$2,245.16.

Proposals for Retrofitting Site Lighting: The Board entered into discussion regarding the status of proposals for retrofitting site lighting. Ms. Finn noted that she is waiting on a proposal from Colorado Lighting, Inc.

2014 Independent Contractor Agreements for Snow Removal Services, Street Sweeping Services, Common Area Cleaning Services, Security Services, General Maintenance Services, Property Management Services, Holiday Lighting Services, Landscape Maintenance Services and Floral Program: The Board entered into discussion regarding proposals for the following services for 2014.

Snow Removal Services: The Board reviewed a proposal for 2013-2014 snow removal services from JPL Cares and considered approval of an Independent Contractor Agreement for 2013-2014 Snow Removal Services between the District and JPL Cares.

Following discussion, upon motion duly made by Director Nemeč, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for 2013-2014 Snow Removal Services between the District and JPL Cares.

Street Sweeping Services: The Board reviewed a proposal for 2014-2015 street sweeping services (two years of services) from Common Area Maintenance Services and considered approval of an Independent Contractor Agreement for 2014-2015 Street Sweeping Services between the District and Common Area Maintenance Services.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Nemeč and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for 2014-2015 Street Sweeping Services between the District and Common Area Maintenance Services.

Common Area Cleaning: The Board reviewed a proposal for 2014 common area cleaning services from Millard Mall Services, Inc. and considered approval of an

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Independent Contractor Agreement for 2014 Common Area Cleaning Services between the District and Millard Mall Services, Inc.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for 2014 Common Area Cleaning Services between the District and Millard Mall Services, Inc.

Security Services: The Board reviewed a proposal for 2014 security services from Securitas Security Services USA, Inc. and considered approval of an Independent Contractor Agreement for 2014 Security Services between the District and Securitas Security Services USA, Inc.

Following discussion, upon motion duly made by Director Nemec, seconded by Director Rocha and, upon vote, carried with Directors Nemec, Rocha, Inclan and Boileau voting “Yes” and Director McGlynn abstaining, the Board approved the Independent Contractor Agreement for 2014 Security Services between the District and Securitas Security Services USA, Inc.

General Maintenance Services: The Board reviewed a proposal for 2014 general maintenance services from Northwood Retail LLC and considered approval of an Independent Contractor Agreement for 2014 General Maintenance Services between the District and Northwood Retail LLC.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Inclan and, upon vote, carried with Directors McGlynn, Rocha and Inclan voting “Yes” and Directors Nemec and Boileau abstaining, the Board approved the Independent Contractor Agreement for 2014 General Maintenance Services between the District and Northwood Retail LLC.

Property Management Services: The Board reviewed a proposal for 2014 property management services from SDMS and considered approval of an Independent Contractor Agreement for 2014 Property Management Services between the District and SDMS.

Following discussion, upon motion duly made by Director Nemec, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for 2014 Property Management Services between the District and SDMS.

Holiday Lighting Services: The Board reviewed bids for holiday lighting services and considered awarding the Independent Contractor Agreement for 2013 Holiday Lighting Services.

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Following discussion, upon motion duly made by Director McGlynn, seconded by Director Nemec and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement for 2013 Holiday Lighting Services between the District and Deck the Malls, Inc.

Landscape Maintenance and Floral Services: The Board reviewed the proposals for 2014 landscape maintenance services and a 2014 floral program and determined to establish a Landscaping Committee comprised of Directors Boileau, McGlynn and Nemec to interview the landscaping contractors. Ms. Finn noted she will schedule a meeting for the committee to interview the contractors.

OTHER BUSINESS

2013 Special District Association (“SDA”) of Colorado’s Annual Business Meeting: Ms. Finn discussed with the Board the SDA’s Annual Business Meeting and explained that each SDA member is entitled to one vote per district for the nomination and vote for SDA directors. The vote can be made one of two ways – either by having an official representative at the meeting or by filing an official proxy designation.

Following discussion, the Board designated Karen J. Steggs, as the proxy for the District, to vote on the District’s behalf at the meeting.

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

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THESE MINUTES APPROVED AS THE OFFICIAL SEPTEMBER 10, 2013
MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 BY
THE BOARD OF DIRECTORS SIGNING BELOW:

[Redacted Signature]

Jeff Nene

[Redacted Signature]

Kevin McGlynn

[Redacted Signature]

Robin Boileau

[Redacted Signature]

Jose Incian

Joyce Rocha