

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
Fax: (303) 987-2032
Website: <https://southlandsmd1.colorado.gov/>

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Martin Liles	President	2023/May 2023
Joyce Rocha	Secretary	2025/May 2025
April Elliott	Treasurer	2025/May 2025
VACANT		2025/May 2023
VACANT		2023/May 2023

DATE: November 15, 2022
TIME: 9:30 a.m.
PLACE: Southlands Shopping Center
Management Office
6155 South Main Street, Suite 260
Aurora, Colorado 80016

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.
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- B. Approve Agenda; confirm location of the meeting and posting of meeting notice.
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- C. Review and approve Minutes of the October 4, 2022 Regular Meeting (enclosure).
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- D. Discuss business to be conducted in 2023 and location (**virtual and/or physical**) or meetings. Consider regular meeting dates for 2023 (suggested dates are February 14, 2023, April 18, 2023, June 20, 2023, August 15, 2023, October 17, 2023 and November 14, 2023 at 9:30 a.m. at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016).
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- E. Discuss and Review Insurance General Liability Schedule and Limits, Consider Authorization to Bind Coverage.
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II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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III. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Ratify approval of ICA with Elevation Holiday Lighting, LLC for holiday lighting (enclosure).
 - Ratify approval of proposal from Wolf’s Site Services for the removal and replacement of the holiday banners (enclosure).
 - Approve §32-1-809, C.R.S., Transparency Notice (enclosure).
 - Adoption of Resolution Designating Meeting Notices Posting Location (enclosure).
 - Ratify payment of METCO Landscape, Inc. invoices (Invoices No. 560206/\$336/winter watering plants, Invoice No 564082/\$844.10/snow removal) to Receiver.
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IV. FINANCIAL MATTERS

- A. Review and ratify approval of the payment of claims for the periods ending as follows (enclosure):

Fund	Period Ending October 31, 2022
General	\$ 170,591.67
Debt Service	\$ -0-
Capital Projects	\$ 142,920.32
Total Claims	\$ 313,511.99

- B. Review and accept unaudited financial statements for the period ending September 30, 2022 and accept Cash Position Schedule, dated September 30, 2022, updated November 7, 2022 and Operations Fee Report (enclosure).
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- C. Consider engagement of Dazzio & Associates, PC for preparation of 2022 Audit, in the amount of \$6,000 (enclosure).
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- D. Conduct Public Hearing to consider Amendment to 2022 Budget (if necessary) and consider adoption of Resolution to Amend the 2022 Budget and Appropriate Expenditures.

- E. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AVs, draft 2023 Budget, and Resolution).

- F. Authorize District Accountant to prepare, and appoint Board Member to sign, the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

- G. Review and approve CliftonLarsonAllen LLP 2023 Statements of Work (enclosure).

V. LEGAL MATTERS

- A. Discuss status of a License Agreement concerning the E-470 monument signs (Access Permit).

- B. Discuss May 2, 2023 Regular Director Election and consider adoption of Resolution No. 2022-11-__ Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 24, 2023. Discuss the need for ballot issues and/or questions.

- C. Discuss request from Peter Cudlip (Aberta Development) regarding the District taking ownership of a 1.4-acre parcel of property (tax parcel ID is 2071-19-4-00-001) (enclosure).

- D. Consider Adoption of 2023 Annual Administrative Resolution (enclosure).

- E. Discuss District Website and Board Member Contact Emails
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VI. OPERATIONS AND MAINTENANCE

- A. Discuss status of the Special Events Permit from M&J Wilkow.
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- B. Discuss status of the retaining wall repair work.
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- C. Review and consider approval of a proposal from YESCO for upgrading the Main Street Display with brighter lighting, for the amount of \$6,691.78 (enclosure).
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- D. Review and consider approval of a proposal from Professional Tree & Turf Equipment for purchase of watering equipment, for the amount of \$3,345.89 (enclosure).
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- E. Review and consider approval 2022/2023 Independent Contractor Agreements for 2023 Maintenance Services:

- 1. Landscape Maintenance Services (to be distributed).
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- 2. Floral Program.
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- 3. Common Area Cleaning.
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- 4. Site Lighting Services.
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- a. Review and consider approval of proposal from Full Spectrum Lighting for site lighting services (enclosure).
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- 5. Tree Care Services.
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6. Street Sweeping Services.

7. Detention Pond Outfall Structure.

8. Security Services.

9. Snow Removal Services.

a. Review and ratify approval of Independent Contractor Agreement between the District and Consolidated Division Inc. d/b/a CDI Environmental Contractor for snow removal services (enclosure).

10. Locate Services.

a. Review and consider approval of rate increase letter from Diversified Underground, Inc. (enclosure).

VII. CAPITAL IMPROVEMENTS

A. Discuss status of the Median Landscape Renovation Project.

1. Authorized Final Payment to Keensen Landscape Management, Inc.

VIII. OTHER MATTERS

A. _____

IX. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2022.**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 4, 2022

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 Tuesday, the 4th day of October, 2022, at 9:30 a.m. at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Martin Liles
Joyce Rocha (via phone)
April Elliott

Also In Attendance Were:

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

Clint C. 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: Ms. Finn noted that a quorum was present. Attorney Waldron reported that disclosures for those Directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State’s Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Attorney Waldron asked the Board whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn noted she had 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 Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Agenda was approved, as amended.

RECORD OF PROCEEDINGS

Minutes: The Board reviewed the Minutes of the August 16, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Minutes of the August 16, 2022 Special Meeting were approved.

PUBLIC COMMENTS There were no public comments at this time.

CONSENT AGENDA The Board considered the following actions:

- Ratify approval of Change Order No. 1 from Yesco LLC for additional work required to install the Cub Hub Sign for the amount of \$3,490.00.
- Ratify approval of proposal from Wolf's Site Services for the removal of 640 existing banners on Main Street and replace with holiday banners, in the amount of \$8,800.
- Ratify approval of proposal from Deck the Malls, Inc to install and remove bows and wreaths, in the amount of \$3,075.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved and ratified approval of the Consent Agenda items

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims for the period ending as follows:

Fund	Period Ending August 31, 2022	Period Ending Sept. 30, 2022
General	\$ 152,833.62	\$ 128,176.06
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ 117,078.55	\$ 148,603.86
Total Claims	\$ 269,912.17	\$ 276,779.92

Following review, upon motion duly made by Director Liles seconded by Director Elliott and, upon vote, unanimously carried, the Board ratified approval of claims, as presented.

Financial Statements: Ms. Dam reviewed with the Board the unaudited financial statements of the District for the period ending July 31, 2022, Schedule of Cash Position, updated as of September 26, 2022, and Operations Fee Report.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending July 31, 2022, Schedule of Cash Position, updated as of September 26, 2022, and Operations Fee Report.

Budget Work Session: The Board reviewed and discussed the 2023 Draft Budget. No action was taken by the Board.

LEGAL MATTERS

License Agreement Concerning the E-470 Monument Signs: Attorney Waldron noted for the Board he is working with E-470 on the license agreement for the monument signs. No action was taken by the Board.

License Agreement for Signage: Attorney Waldron reviewed with the Board a draft License Agreement for signage located on District property.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the License Agreement for Signage. In addition, the Board determined to impose a license fee in the amount of \$500 for five (5) years.

Resolution Regarding Issuance of Advertising, Special Events and Street Closure Permits: Attorney Waldron discussed with the Board a Resolution Regarding Issuance of Advertising, Special Event and Street Closure Permits.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the Resolution Regarding Issuance of Advertising, Special Event and Street Closure Permits. In addition, the Board determined to impose a permit fee in the amount of \$100 and a \$300 damage deposit.

OPERATIONS AND MAINTENANCE

Special Events Permit from M&J Wilkow: Director Rocha reported to the Board on the status of the 2022 Special Events Permit from M&J Wilkow. She noted she is working on obtaining a Certificate of Insurance.

Proposal from Keesen Landscape Management Inc. for the Installation of 141 New Trees throughout the District: The Board deferred discussion.

Proposal from Collins Engineering, Inc. for General Engineering Services: The Board reviewed a proposal from Collins Engineering, Inc. for general engineering services.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the proposal from Collins Engineering, Inc. for general engineering services.

Proposal from Full Spectrum Lighting, Inc. for the Conversion of the Lights to LED: The Board reviewed a proposal from Full Spectrum Lighting, Inc. for the conversion of the lights to LED.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the proposal from Full Spectrum Lighting, Inc. for the conversion of the lights to LED, for the amount of \$55,770.00.

Application for a Rebate from Xcel Energy for Converting Street Lights to LED: The Board entered into discussion regarding the application for a Rebate from Xcel Energy for converting street lights to LED. Director Liles noted the District will receive a 30% rebate if the conversion is completed by the end-of-year.

Proposal from Rocky Mountain Parking Lot Services, Inc. for Striping the District's Roads and Parking Spaces: The Board reviewed a proposal from Rocky Mountain Parking Lot Services, Inc. for striping the District's roads and parking spaces.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the proposal from Rocky Mountain Parking Lot Services, Inc. for striping the District's roads and parking spaces, for the amount of \$13,900.

Pest Control Services: The Board entered into discussion regarding pest control services. The Board reviewed proposals from Animal & Pest Control Specialist, Inc. for pest control in the pond area and on the Aurora Parkway Corridor.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the proposals from Animal & Pest Control Specialist, Inc. for pest control services.

Independent Contractor Agreement with Integrated Wall Solutions, Inc. for Retaining Wall Repair Services: The Board reviewed an Independent Contractor Agreement with Integrated Wall Solutions, Inc. for retaining wall repair services.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Rocha and, upon vote, unanimously carried, the Board ratified approval of the Independent Contractor Agreement with Integrated Wall Solutions, Inc. for retaining wall repair services, for the amount of \$58,907.23. The Board further

RECORD OF PROCEEDINGS

directed staff to schedule a pre-construction meeting and document the current damage.

Payment of METCO Landscape, Inc. Invoices: The Board reviewed METCO Landscape, Inc. invoices (Invoices No. 560206/\$336/winter watering plants, Invoice No. 564082/\$844.10/snow removal, Invoice No. 5697081/\$3,818.20/backflow cage).

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the payment for Invoice No. 5697081 for the backflow cage, in the amount of \$3,818.20 to METCO's receivership.

2022/2023 Independent Contractor Agreements for 2023 Maintenance Services:

Holiday Lighting: The Board reviewed proposals for holiday lighting.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the proposal from Elevation Holiday Lighting, LLC for holiday lighting, for the amount of \$165,000.

Snow Removal Services: The Board reviewed a proposal from CDI Environmental Contractor for 2022-2025 snow removal services.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the proposal from CDI Environmental Contractor for snow removal services.

CAPITAL IMPROVEMENTS

Median Landscape Renovation Project:

Change Order No. 3 from Keesen Landscape Management Inc. for the Renovation of Nine Islands: The Board reviewed Change Order No. 3 from Keesen Landscape Management Inc. for the renovation of nine islands.

Following review and discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved Change Order No. 3 from Keesen Landscape Management Inc. for the renovation of nine islands, for the amount of \$23,980.00.

RECORD OF PROCEEDINGS

Completion Punch List and Diagram: The Board reviewed the final punch list and diagram from The Architerra Group. Ms. Finn noted Ms. Dominguez is working with Keesen Landscape Management Inc. on completing the punch list items.

Final Payment to Keesen Landscape Management Inc.: The Board entered into discussion regarding making final payment to Keesen Landscape Management Inc.

Following review and discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board authorized final payment to Keesen Landscape Management Inc., subject to final sign off by Director Likes and Lesanne Dominguez (The Architerra Group).

OTHER MATTERS

There were no other matters.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting




SOUTHLANDS

By



Elevation Holiday Lighting

Proposal for Trees, Light poles, Hard Corners

Elevate Southlands Holiday Lighting Program

What: Create a classic and elegant atmosphere while creating a sense of place. Warm, elegant, classic, clean.

Proposed Design - Mini-light branch Wraps (Dense)

- Approx 178 trees throughout Southlands Main Street and Town Square with dense mini-light wrap
- 60,000 feet of mini-lights (11+ miles)
- 161,000 Lights in this section

Proposed Design - Red & Green Canopy Wrap c9s East Entrance Drives

- Approx 102 trees throughout Southlands Canopy Wrapped with Red & Green c9s (alternating each tree)
- +25,000 feet of lights in this section

88 Light Poles in Main Entrance Area, Prospect Ave & Offshoots wrapped with 5mm mini-lights

Hard Corners

- Hard corners utilizing existing materials owned and stored onsite by Southlands

S. Aurora Pkwy Entrance Marquee Pines and Crabapple Trees

- Pines trees lit to very high density WW c9 lights throughout canopy
- Branch wrapped crabapple trees WW

North Marquee Signs North Along 470

- Densely lit pines

Total Cost: \$164,276 (Annual three year contract price.)

Mini-light Branch Wrap



Main Tree

Main Tree 30': The Town Center will host a new 30' Tower Tree with warm-white or multicolored 5mm mini-lights and a starburst tree topper. The Majestic Mountain tower tree is densely lit, with high quality life-like branches and needles. + Ornament Package High Gloss Silver

Total Cost: \$27,670 (Annual three year contract price.)

Annual Lease, Install, Maintenance, Storage, Ornament Package





*Places that
Inspire*

\$191,946 Classic Town Center with mini-light branch wrap, 30' Classic Tower Tree lease with ornament package, trees throughout, light poles, densely lit Marquee Areas, decor installation.

The
Elevation
Holiday Lighting
Difference



Our Promise

Design – We promise to design an elegant, creative display that will create a “Wow” effect for your property!

Service – Elevation Holiday Lighting strives to exceed your expectations at every opportunity. Elevation Holiday Lighting focuses on making each display magical. We invest in each client to build long-term satisfied customers. That’s why we have the highest customer satisfaction in the area with over 95% of our customers returning year after year. When we enter your property we’re becoming a member of your community. We take that responsibility seriously.

Products – Elevation Holiday Lighting only uses the BEST commercial grade LED products on the market. We source the highest quality and most energy efficient materials available at the best prices due to direct relationships with manufacturers and partnerships with the largest wholesalers in the nation.

Ridiculously-good Customer Service

Spectacular Lights ALL Season Long - Weekly preventative service visits will take place with technicians on standby to keep installations in great condition throughout the season. These scheduled visits to inspect the displays, adjust strands, fix issues and ensure that the displays maintain a high level of quality throughout the season.

Rapid Service - Same-day target, next-day guarantee.

No Service Charges, Ever.

We'll do whatever it takes to ensure you're satisfied.

Elevation Holiday Lighting does more than hang lights.
We design an experience and create a sense of place.



Our Process

- **Design** - We take care to design a unique environment that wow's the community. We work closely with you to ensure the final result is what you had in mind and works with your budget.
- **Electrical Audit** - We test every single outlet months before we begin an installation. Flagging outlets physically that need to be repaired and creating a detailed map.
- **Coordination of Street Closures** (if necessary) - Work with property managers to create a street closure schedule that has minimal impacts on the community.
- **Installation** - We work in a tidy professional manner as a member of your community during our stay.
- **Walk-through** - We will ensure that you're happy with the final product before we finish our work.
- **Maintenance** - We have weekly preventive maintenance visits throughout the season to ensure everything is working properly and is maintained to the highest standard. If anything is out of place, we fix it on the spot.
- **Take-down** - When the season is over we promptly take down and store the lights and decor.

Trusted Among the Best

VAIL RESORTS®


SIMON®
MALLS

CAMP
Christmas

Regency
Centers.



TOWN OF
BRECKENRIDGE

CBRE



McWHINNEY

Shea Properties.


NEWMARK MERRILL
COMPANIES



GRAND
COLORADO
ON PEAK EIGHT

WHOLE
FOODS
MARKET



TOWN OF
ESTES PARK
COLORADO



DILLON
COLORADO

mk
ILLUMINATION

About Elevation Holiday Lighting

Over the past seven seasons, Elevation Holiday Lighting has quickly become one of the most trusted seasonal lighting providers in Colorado through a relentless focus on quality, creative design, and great pricing. We specialize in classic and unique seasonal lighting that creates a sense of place and great community experiences.

About Owners Mike & Beth Szymanski:

Mike & Beth first truly understood the power of light to transform a place while running a solar energy company serving off-grid homes and villages in Tanzania. They came back to the US with a vision to transform cities and towns through light. That was how Elevation Holiday Lighting was born.

When Mike isn't on a boom lift or dreaming up designs for next season, he's a Volunteer Firefighter with the Sugarloaf Fire Protection District in Rural Boulder County and a Red Card holding Wildland Firefighter. He also teaches Entrepreneurship and Finance part-time at CU Boulder. Beth brings her entrepreneurial spirit and operations focus to the business building off of her experience starting a plastic recycling facility in Tanzania and helping hundreds of women start in-home child care programs. Our kiddos, Max and Evie, while still a bit young, are always up for helping us dream up displays that will wow kids or help to screw in lightbulbs.



(Elevation Holiday Lighting Project
Town of Breckenridge)

Questions? Please contact:

Owner

Michael Szymanski

(720) 460-1707

mike@elevationholidaylighting.com



Elevation Holiday Lighting



7687 S. Patsburg Way
Aurora, CO 80016
303-638-4660
david@wolfssiteservices.com
10/30/2022

Invoice for Denver Metro District at Southlands Mall:

Scope of work: Swap out southlands banners for holiday banners.

Labor Costs: 160 man-hours x \$55/hr. \$8800

Total Amount Due: \$8800

Notice Completed By
Name: Ann E. Finn
Title: District Manager
Notice Dated: January 15, 2023

Some information herein may be subject to change.

**2022 SPECIAL DISTRICT
“TRANSPARENCY NOTICE”**

Note to Electors 32-1-809 C.R.S.

**SOUTHLANDS METROPOLITAN
DISTRICT NO. 1**

This information must be provided¹ annually to the eligible electors of the district between November 16, and January 15.

Address and Telephone Number of District’s Principal Business Office		Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 - Phone: 303-987-0835		
Name and Telephone of Manager or Other Primary Contact Person for District		Ann E. Finn 303-987-0835		
Email address of primary contact (optional, but needed for access to DLG E-filing Portal)		afinn@sdmsi.com		
District’s website address (Required if choosing to post meeting notices online per HB 19-1087)		https://southlandsm1.colorado.gov/		
Time and Place Designated for Regular Board Meetings [per C.R.S. 32-1-903]		Regular meetings are held on the third Tuesday of April, June, August, October and November, at 9:30 a.m. at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016.		
Posting Place Designated for Meeting Place [per C.R.S. 24-6-402(2)(c)]		https://southlandsm1.colorado.gov/ or, when online posting is unavailable, at the intersection of South Aurora Parkway and Orchard Road, Aurora, Colorado.		
District Mill Levy		42.000 mills, for collection in 2023		
Total ad valorem tax revenue received in the previous year (Note if unaudited or otherwise incomplete)		\$3,381,245.00 received in 2022 (unaudited)		
Names and Contact Information of Board Members <i>Check applicable boxes for a Board Member whose seat will be on the ballot at the next regular election.</i>	(1) Board Chair Name: Martin Liles Contact Info: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 – 303-987-0835 <input checked="" type="checkbox"/> This office is on next regular election ballot for a <input type="checkbox"/> Two-year term <input checked="" type="checkbox"/> Four-year term	(2) Treasurer Name: April Elliott Contact Info: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 – 303-987-0835 <input type="checkbox"/> This office is on next regular election ballot for a <input type="checkbox"/> Two-year term <input type="checkbox"/> Four-year term		
	(3) Secretary Name: Joyce Rocha Contact Info: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 – 303-987-0835 <input type="checkbox"/> This office is on next regular election ballot for a <input type="checkbox"/> Two-year term <input type="checkbox"/> Four-year term	(4) Vacant Name: Contact Info: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 – 303-987-0835 <input checked="" type="checkbox"/> This office is on next regular election ballot for a <input checked="" type="checkbox"/> Two-year term <input type="checkbox"/> Four-year term		
	(5) Vacant Name: Contact Info: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 – 303-987-0835 <input checked="" type="checkbox"/> This office is on next regular election ballot for a <input type="checkbox"/> Two-year term <input checked="" type="checkbox"/> Four-year term			

Date of Next Regular Election	May 2, 2023
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<p>Self-nomination forms to be a candidate for district board member may be obtained from and should be returned to the Designated Election Official (or Board Chair or Secretary if no DEO). [per C.R.S. 1-13.5-303]</p> <p>Self-nomination forms for the next regular election must be received by the District by</p> <p style="text-align: center;">February 24, 2023, no later than 5:00 p.m.</p> <p>Applications for absentee voting or for permanent absentee voter status are available from and must be returned to the Designated Election Official. [per C.R.S. 1-13.5-1003]</p>		
<p>Designated Election Official: Ashley Frisbie Contact Address: White Bear Ankele Tanaka & Waldron, P.C. 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado 80122 Contact Phone: (303) 858-1800 Contact Email Address: afrisbie@wbapc.com</p>		
<p>District Election Results will be posted on these websites:</p>	<p style="text-align: center;">Secretary of State www.sos.state.co.us Department of Local Affairs dola.colorado.gov/lgis</p>	<p>District or other website: https://southlandssmd1.colorado.gov/</p>

File copy of this Notice with:

- Clerk and Recorder of each county in which district is wholly or partially located
- Assessor of each county in which the district is wholly or partially located
- Treasurer of each county in which the district is wholly or partially located
- Board of commissioners of each county in which the district is wholly or partially located
- Governing body of any municipality in which the district is wholly located
- Division of Local Government
- District's principal business office where it shall be available for public inspection

¹Notice must be provided in one or more of the following manners:

- a) Mail Notice separately to each household where one or more eligible electors of the special district resides (Note: Districts with overlapping boundaries may combine mailed Notices, so long as the information regarding each district is separately displayed and identified);
- b) Include Notice as a prominent part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other Notice of election, or other informational mailing sent by the district to the eligible electors;
- c) Post Notice on district's official website (Note: You must also provide the Division of Local Government (<http://www.colorado.gov/dola>) with the address of your district's website in order to establish a link on the DLG's site). (Please use our Contact Update form available on our website or by request);
- d) Post Notice on website of the Special District Association of Colorado (<http://www.sdaco.org>) (Note: Your district must be an SDA member. Send Notice to SDA by mail or electronic transmission); or
- e) For a special district with less than one thousand eligible electors that is wholly located within a county with a population of less than thirty thousand, posting the Notice in at least three public places within the limits of the special district and, in addition, posting a Notice in the office of the county clerk and recorder of the county in which the special district is located. Such Notices shall remain posted until the Tuesday succeeding the first Monday of the following May.

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

DESIGNATING MEETING NOTICE POSTING LOCATION

WHEREAS, the Southlands Metropolitan District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to §24-6-402(1)(a), C.R.S., the District is a local public body and subject to the provisions of §§24-6-401, et seq., C.R.S.; and

WHEREAS, pursuant to §32-1-903(2) and §24-6-402(2)(c), C.R.S., the District shall be considered to have given full and timely notice to the public if notice of the meeting is posted, with specific agenda information if available, on a public website of the District no less than twenty-four (24) hours prior to the meeting; and

WHEREAS, pursuant to §24-6-402(2)(c), C.R.S., the District shall make the notice posted on the public website accessible at no charge to the public, consider linking the notice to any appropriate social media accounts of the District, and, to the extent feasible, make the notices searchable by type of meeting, date of meeting, time of meeting, agenda contents, and any other category deemed appropriate by the District; and

WHEREAS, pursuant to §24-6-402(2)(c), C.R.S., the District shall designate a place within the boundaries of the local public body at which it may post a notice no less than twenty-four (24) hours in advance of the meeting in the event that the District is unable to post the notice online due to exigent or emergency circumstances.

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

1. Pursuant to §24-6-402(2)(c), C.R.S., the Board hereby designates www.colorado.gov/southlandsmd1 as the website at which notices of District meetings will be posted twenty-four (24) hours in advance.

2. Pursuant to §24-6-402(2)(c), C.R.S., the Board hereby designates the following location for the posting of its meeting notices twenty-four (24) hours in advance in the event that the District is unable to post notice on the District's website:

[_____]

ADOPTED NOVEMBER 15, 2022.

DISTRICTS:

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

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

[Signature Page to Resolution Designating the Meeting Notice Posting Location]

**Southlands Metropolitan District No. 1
October-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Allied Universal	13229188	9/9/2022	10/9/2022	\$ 16,118.43	Monthly cleaning	117802
Allied Universal	13323744	9/29/2022	10/29/2022	\$ 5,645.12	Security	117806
Brody Chemical	INV19311	9/30/2022	10/30/2022	\$ 104.99	Repairs and maintenance	117582
City of Aurora	A037515 SEPT22	9/30/2022	9/30/2022	\$ 3,217.33	Utilities	117701
City of Aurora	A033002 SEPT22	9/30/2022	9/30/2022	\$ 1,457.98	Utilities	117701
City of Aurora	A033004 SEPT22	9/30/2022	9/30/2022	\$ 1,405.69	Utilities	117701
City of Aurora	A040474 SEPT22	9/30/2022	9/30/2022	\$ 1,837.23	Utilities	117701
City of Aurora	A033003 SEPT 22	9/30/2022	9/30/2022	\$ 1,502.74	Utilities	117701
City of Aurora	A045810 SEPT 22	9/30/2022	9/30/2022	\$ 5,793.65	Utilities	117701
City of Aurora	A045809 SEPT22	9/30/2022	9/30/2022	\$ 108.51	Utilities	117701
City of Aurora	A036873 SEPT22	9/30/2022	9/30/2022	\$ 3,298.74	Utilities	117701
City of Aurora	A040256 SEPT22	9/30/2022	9/30/2022	\$ 2,120.37	Utilities	117701
CliftonLarsonAllen LLP	3408138	8/31/2022	8/31/2022	\$ 6,282.13	Accounting	107000
Colorado Special Districts Property and Liability Pool	19063	10/11/2022	10/11/2022	\$ 8.00	Insurance and bonds	107360
Common Area Maintenance Services	M10012461	10/1/2022	10/1/2022	\$ 1,365.00	Street sweeping	117808
DBC Irrigation Supply	S4799739001	9/26/2022	9/26/2022	\$ 29.97	Landscape maintenance & irrigation repair	117585
DBC Irrigation Supply	S4796306.001	9/22/2022	9/22/2022	\$ 257.19	Landscape maintenance & irrigation repair	117585
Diversified Underground, Inc	26364	9/30/2022	10/30/2022	\$ 850.00	Repairs and maintenance	117582
Full Spectrum Lighting, Inc	30486	9/20/2022	9/20/2022	\$ 1,421.51	Street lighting/ striping	117855
Full Spectrum Lighting, Inc	30511	9/28/2022	9/28/2022	\$ 4,078.24	Street lighting/ striping	117855
Full Spectrum Lighting, Inc	30525	9/28/2022	9/28/2022	\$ 2,034.69	Street lighting/ striping	117855
Full Spectrum Lighting, Inc	30487	9/20/2022	9/20/2022	\$ 977.20	Street lighting/ striping	117855
Integrated Wall Solutions, LLC	502255- PAY APP#1	10/31/2022	10/31/2022	\$ (2,945.36)	Retainage Payable	112501
Integrated Wall Solutions, LLC	502255- PAY APP#1	10/31/2022	10/31/2022	\$ 29,453.62	Repairs and maintenance	117582
Keesen Landscape Management, Inc.	CEN 201052	10/4/2022	11/3/2022	\$ 16,235.00	Landscape maintenance & irrigation repair	117585
Keesen Landscape Management, Inc.	200058	9/28/2022	9/28/2022	\$ 140,592.50	Medians	307863
Keesen Landscape Management, Inc.	CEN 199707	9/12/2022	10/12/2022	\$ 2,500.65	Landscape maintenance & irrigation repair	117585
Keesen Landscape Management, Inc.	CEN 199378	9/12/2022	10/12/2022	\$ 595.00	Landscape maintenance & irrigation repair	117585
M & J Wilkow Properties, LLC	29252	10/1/2022	10/31/2022	\$ 9,616.33	Property maintenance	117804
Phillip Doulik Painting, LLC	220920	9/20/2022	9/20/2022	\$ 3,280.00	Repairs and maintenance	117582
Pool Doctor	37615	6/7/2022	7/7/2022	\$ 317.18	Miscellaneous	107480
Pool Doctor	37973	6/28/2022	7/28/2022	\$ 95.78	Miscellaneous	107480
Rocky Mountain Pavement	12282	10/17/2022	10/17/2022	\$ 13,900.00	Street lighting/ striping	117855
Special District Management Services, Inc.	PM 09/2022	9/30/2022	9/30/2022	\$ 3,000.00	District management	107440
Special District Management Services, Inc.	DM 09/2022	9/30/2022	9/30/2022	\$ 912.00	Medians	307863
Special District Management Services, Inc.	DM 09/2022	9/30/2022	9/30/2022	\$ 4,190.87	District management	107440
Sustainable Landscape Colorado	2625	9/15/2022	10/15/2022	\$ 3,983.34	Floral	117801
The Architerra Group, Inc.	7370	10/11/2022	11/10/2022	\$ 1,316.39	Medians	307863
The Hiller Companies, LLC	366440	8/25/2022	8/25/2022	\$ 6,305.00	Repairs and maintenance	117582
Utility Notification Center of Colorado	222091362	9/30/2022	9/30/2022	\$ 14.30	Repairs and maintenance	117582
White, Bear & Ankele PC	24454	9/30/2022	9/30/2022	\$ 99.43	Medians	307863
White, Bear & Ankele PC	24454	9/30/2022	9/30/2022	\$ 5,380.75	Legal services	107460
Xcel Energy	800393210	10/24/2022	10/24/2022	\$ 3,764.50	Utilities	117701
Yesco	INY-0390417	9/30/2022	10/30/2022	\$ 10,990.00	Signage and decor	117587
				\$ 313,511.99		

Southlands Metropolitan District No. 1
October-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 146,084.93		\$ 142,920.32	\$ 289,005.25
Xcel - Auto Pay	\$ 3,764.50	\$ -	\$ -	\$ 3,764.50
Aurora Water - Auto Pay	\$ 20,742.24	\$ -	\$ -	\$ 20,742.24
Total Disbursements from Checking Acct	<u>\$ 170,591.67</u>	<u>\$ -</u>	<u>\$ 142,920.32</u>	<u>\$ 313,511.99</u>

SOUTHLANDS METROPOLITAN DISTRICT NO.1

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

SOUTHLANDS METROPOLITAN DISTRICT NO.1
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General	General Operations Fee	Debt Service	Capital Projects	Total
ASSETS					
Cash - Checking	\$ 16,996	\$ 708,051	\$ -	\$ 147,964	\$ 873,011
Colostrust	876,906	827,279	-	-	1,704,185
UMB Series 2017 A-1 Bond Fund	-	-	2,077,541	-	2,077,541
UMB Series 2017 A-2 Bond Fund	-	-	361,560	-	361,560
UMB Series 2017 A-1 Reserve Fund	-	-	1,691,709	-	1,691,709
UMB Series 2017 A-2 Reserve Fund	-	-	150,112	-	150,112
General Operations Fee receivable	-	118,098	-	-	118,098
Due from other fund	-	-	-	141,604	141,604
Receivable from County Treasurer	2,748	-	15,546	-	18,294
Prepaid insurance	450	-	-	-	450
TOTAL ASSETS	<u>\$ 897,100</u>	<u>\$ 1,653,428</u>	<u>\$ 4,296,468</u>	<u>\$ 289,568</u>	<u>\$ 7,136,564</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ 20,716	\$ 165,902	\$ -	\$ 289,568	\$ 476,186
Due to other funds	141,604	-	-	-	141,604
Unearned General Operations Fee	-	36,073	-	-	36,073
Total Liabilities	<u>162,320</u>	<u>201,975</u>	<u>-</u>	<u>289,568</u>	<u>653,863</u>
FUND BALANCES					
Total Fund Balances	<u>734,780</u>	<u>1,451,453</u>	<u>4,296,468</u>	<u>-</u>	<u>6,482,701</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 897,100</u>	<u>\$ 1,653,428</u>	<u>\$ 4,296,468</u>	<u>\$ 289,568</u>	<u>\$ 7,136,564</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 500	\$ 8,982	\$ 8,482
Permits and fees	5,000	1,600	(3,400)
Property taxes	507,927	498,418	(9,509)
Specific ownership tax	35,555	26,182	(9,373)
TOTAL REVENUES	<u>548,982</u>	<u>535,182</u>	<u>(13,800)</u>
EXPENDITURES			
Accounting	57,000	44,500	12,500
Auditing	6,000	5,800	200
Billing services	13,000	9,239	3,761
Contingency	9,381	-	9,381
County Treasurer's fee	7,619	7,505	114
Directors' fees	4,000	1,800	2,200
District management	68,000	36,756	31,244
Dues and licenses	2,000	545	1,455
Election expense	3,000	1,805	1,195
Insurance and bonds	45,000	36,951	8,049
Legal services	50,000	36,130	13,870
Miscellaneous	5,000	850	4,150
Public Events	50,000	31,800	18,200
TOTAL EXPENDITURES	<u>320,000</u>	<u>213,681</u>	<u>106,319</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	228,982	321,501	92,519
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	(700,000)	(540,355)	159,645
TOTAL OTHER FINANCING SOURCES (USES)	<u>(700,000)</u>	<u>(540,355)</u>	<u>159,645</u>
NET CHANGE IN FUND BALANCES	(471,018)	(218,854)	252,164
FUND BALANCES - BEGINNING	<u>941,998</u>	<u>953,633</u>	<u>11,635</u>
FUND BALANCES - ENDING	<u>\$ 470,980</u>	<u>\$ 734,779</u>	<u>\$ 263,799</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

GENERAL OPERATIONS FEE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
General operations fee	\$ 2,103,000	\$ 1,577,250	\$ (525,750)
General operations fee - penalty and other	2,000	15,143	13,143
General operations fee - vacant lots	25,000	24,961	(39)
Interest income	1,000	6,477	5,477
TOTAL REVENUES	<u>2,131,000</u>	<u>1,623,831</u>	<u>(507,169)</u>
EXPENDITURES			
Floral	190,000	172,225	17,775
Holiday decor	115,000	-	115,000
Landscape maintenance & irrigation repair	250,000	196,217	53,783
Monthly cleaning	230,000	138,700	91,300
Pest control	10,000	-	10,000
Property maintenance	120,000	86,627	33,373
Property management	40,000	27,032	12,968
Repairs and maintenance	380,000	63,393	316,607
Security	75,000	45,652	29,348
Signage	100,000	23,997	76,003
Snow removal	350,000	179,525	170,475
Street lighting/ striping	75,000	44,055	30,945
Street repairs/sidewalk	45,000	-	45,000
Street sweeping	15,000	11,850	3,150
Traffic signals maintenance	35,000	30,681	4,319
Utilities	180,000	130,534	49,466
TOTAL EXPENDITURES	<u>2,210,000</u>	<u>1,150,488</u>	<u>1,059,512</u>
NET CHANGE IN FUND BALANCES	(79,000)	473,343	552,343
FUND BALANCES - BEGINNING	<u>729,000</u>	<u>978,108</u>	<u>249,108</u>
FUND BALANCES - ENDING	<u>\$ 650,000</u>	<u>\$ 1,451,451</u>	<u>\$ 801,451</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

**SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 700	\$ 13,396	\$ 12,696
Property taxes	2,873,318	2,821,387	(51,931)
Specific ownership tax	201,132	147,720	(53,412)
TOTAL REVENUES	3,075,150	2,982,503	(92,647)
EXPENDITURES			
Bond interest - Series 2017 A-1	2,073,200	1,036,600	1,036,600
Bond interest - Series 2017 A-2	183,275	91,638	91,637
Bond principal - Series 2017 A-1	590,000	-	590,000
Bond principal - Series 2017 A-2	50,000	-	50,000
Contingency	9,425	-	9,425
County Treasurer's fee	43,100	42,480	620
Paying agent fees	6,000	6,000	-
TOTAL EXPENDITURES	2,955,000	1,176,718	1,778,282
NET CHANGE IN FUND BALANCES	120,150	1,805,785	1,685,635
FUND BALANCES - BEGINNING	2,503,308	2,490,684	(12,624)
FUND BALANCES - ENDING	\$ 2,623,458	\$ 4,296,469	\$ 1,673,011

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
TOTAL REVENUES			
EXPENDITURES			
Medians	400,000	540,355	(140,355)
Signage	300,000	-	300,000
TOTAL EXPENDITURES	<u>700,000</u>	<u>540,355</u>	<u>159,645</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(700,000)	(540,355)	159,645
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	700,000	540,355	(159,645)
TOTAL OTHER FINANCING SOURCES (USES)	<u>700,000</u>	<u>540,355</u>	<u>(159,645)</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2022 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. On January 11, 2016, the City Council approved the Second Amendment to the Service Plan which increases the debt issuance limitation to \$125,000,000.

The District has no employees and all administrative functions are contracted.

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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2022 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 the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 7% 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.

Interest Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Operations and Maintenance

Operations and maintenance expenditures have been provided based on estimates of the District's Board of Directors and consultants and include costs associated with the operations and maintenance of certain facilities and improvements throughout the District.

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Refunding Bonds, Series 2017A-1 and Series 2017A-2 (discussed under Debt and Leases).

Debt and Leases

On December 1, 2017, the District refunded its General Obligation Refunding and Improvement Bonds, Series 2007 (the 2007 Bonds) and General Obligation Loan, Series 2016 (the 2016 Loan) by the issuances of \$44,690,000 General Obligation Refunding Bonds, Series 2017A-1, and \$3,945,000 General Obligation Refunding Bonds, Series 2017A-2, respectively (the 2017 Bonds). The proceeds were used for the purposes of (i) refunding the 2007 Bonds and 2016 Loan, (ii) funding the debt service reserve requirement (the 2017A-1 Reserve Fund and the 2017A-2 Reserve Fund); and (iii) paying costs of issuance of the 2017 Bonds.

The 2017 Bonds, mature on December 1, 2047 with an interest rates of 3.000% - 5.000%, are payable semi-annually on June 1 and December 1. The 2017 Bonds maturing on or after December 1, 2047 are subject to redemption prior to maturity, at the option of the District, as whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2047 and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

The 2017 Bonds are general obligations of the District secured by and payable from the Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Unlimited Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Unlimited Mill Levy; and (iii) any other legally available moneys of the District deposited in the Bond Fund or the Reserve Fund.

Approximately 11.5 acres, generally encompassing the Lowe's Home Improvement Warehouse, were excluded from the boundaries of the District on November 7, 2007 (the Excluded Property). Accordingly, the Excluded Property is subject to ad valorem taxes by the District to pay the Series 2017A-1 Bonds but will not be subject to ad valorem taxes to pay the Series 2017A-2 Bonds.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases– (continued)

For the purposes of paying the principal and interest on the Bonds, the Board is to annually determine and certify to the County each year in which the 2017 Bonds remain outstanding, in addition to all other taxes, the Unlimited Mill Levy. The 2017 Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine and certify a rate of levy for ad valorem property taxes in an amount sufficient to pay, along with other legally available revenues, the principal and interest on the 2017 Bonds.

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 2022, as defined under TABOR.

Debt Service Reserve

At time of issuance of the 2017 Bonds, the 2017A-1 Reserve Fund and the 2017A-2 Reserve Fund have been established for the purpose of paying the principal and/or interest on Series 2017A-1 and Series 2017A-2 to the extent the moneys in the Fond Fund are insufficient for such purpose. The 2017A-1

Reserve Fund and 2017A-2 Reserve Fund are required to be maintained at all times in the amounts of \$1,687,625 and \$149,750, respectively.

This information is an integral part of the accompanying budget.

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

**\$44,690,000 General Obligation Refunding Bonds,
Series 2017 A-1
Dated December 1, 2017
Interest - 3.000% - 5.000%
Payable June 1 and December 1
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 590,000	\$ 2,073,200	\$ 2,663,200
2023	610,000	2,055,500	2,665,500
2024	685,000	2,034,150	2,719,150
2025	705,000	2,010,175	2,715,175
2026	785,000	1,985,500	2,770,500
2027	815,000	1,958,025	2,773,025
2028	895,000	1,929,500	2,824,500
2029	940,000	1,884,750	2,824,750
2030	1,045,000	1,837,750	2,882,750
2031	1,100,000	1,785,500	2,885,500
2032	1,210,000	1,730,500	2,940,500
2033	1,270,000	1,670,000	2,940,000
2034	1,390,000	1,606,500	2,996,500
2035	1,460,000	1,537,000	2,997,000
2036	1,595,000	1,464,000	3,059,000
2037	1,675,000	1,384,250	3,059,250
2038	1,820,000	1,300,500	3,120,500
2039	1,910,000	1,209,500	3,119,500
2040	2,070,000	1,114,000	3,184,000
2041	2,170,000	1,010,500	3,180,500
2042	2,345,000	902,000	3,247,000
2043	2,460,000	784,750	3,244,750
2044	2,650,000	661,750	3,311,750
2045	2,780,000	529,250	3,309,250
2046	2,985,000	390,250	3,375,250
2047	4,820,000	241,000	5,061,000
	<u>\$ 42,780,000</u>	<u>\$ 37,089,800</u>	<u>\$ 79,869,800</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

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

**\$3,945,000 General Obligation Refunding Bonds,
Series 2017 A-2
Dated December 1, 2017
Interest - 3.000% - 5.000%
Payable June 1 and December 1
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 50,000	\$ 183,275	\$ 233,275
2023	55,000	181,775	236,775
2024	60,000	179,850	239,850
2025	65,000	177,750	242,750
2026	70,000	175,475	245,475
2027	65,000	173,025	238,025
2028	80,000	170,750	250,750
2029	85,000	166,750	251,750
2030	95,000	162,500	257,500
2031	95,000	157,750	252,750
2032	105,000	153,000	258,000
2033	110,000	147,750	257,750
2034	125,000	142,250	267,250
2035	130,000	136,000	266,000
2036	140,000	129,500	269,500
2037	150,000	122,500	272,500
2038	160,000	115,000	275,000
2039	170,000	107,000	277,000
2040	185,000	98,500	283,500
2041	190,000	89,250	279,250
2042	205,000	79,750	284,750
2043	220,000	69,500	289,500
2044	235,000	58,500	293,500
2045	245,000	46,750	291,750
2046	265,000	34,500	299,500
2047	425,000	21,250	446,250
	<u>\$ 3,780,000</u>	<u>\$ 3,279,900</u>	<u>\$ 7,059,900</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 640,000	\$ 2,256,475	\$ 2,896,475
2023	665,000	2,237,275	2,902,275
2024	745,000	2,214,000	2,959,000
2025	770,000	2,187,925	2,957,925
2026	855,000	2,160,975	3,015,975
2027	880,000	2,131,050	3,011,050
2028	975,000	2,100,250	3,075,250
2029	1,025,000	2,051,500	3,076,500
2030	1,140,000	2,000,250	3,140,250
2031	1,195,000	1,943,250	3,138,250
2032	1,315,000	1,883,500	3,198,500
2033	1,380,000	1,817,750	3,197,750
2034	1,515,000	1,748,750	3,263,750
2035	1,590,000	1,673,000	3,263,000
2036	1,735,000	1,593,500	3,328,500
2037	1,825,000	1,506,750	3,331,750
2038	1,980,000	1,415,500	3,395,500
2039	2,080,000	1,316,500	3,396,500
2040	2,255,000	1,212,500	3,467,500
2041	2,360,000	1,099,750	3,459,750
2042	2,550,000	981,750	3,531,750
2043	2,680,000	854,250	3,534,250
2044	2,885,000	720,250	3,605,250
2045	3,025,000	576,000	3,601,000
2046	3,250,000	424,750	3,674,750
2047	5,245,000	262,250	5,507,250
	<u>\$ 46,560,000</u>	<u>\$ 40,369,700</u>	<u>\$ 86,929,700</u>

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SOUTHLANDS METROPOLITAN DISTRICT # 1

Schedule of Cash Position

September 30, 2022

Updated as of November 7, 2022

	<u>General Fund</u>	<u>Operations Fee Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>FirstBank - Checking Account</u>					
Balance as of 09/30/22	\$ 16,995.58	\$ 708,051.15	\$ -	\$ 147,964.03	\$ 873,010.76
Subsequent activities:					
10/04/22 - Aurora Water Xcel, EFT	-	(22,579.71)	-	-	(22,579.71)
10/05/22 - Xcel, EFT	-	(3,775.60)	-	-	(3,775.60)
10/11/22 - Directors fees	(322.95)	-	-	-	(322.95)
10/28/22 - Transfer from CT	150,000.00	-	-	-	150,000.00
10/31/22 - Transfer to CT	-	(600,000.00)	-	-	(600,000.00)
10/31/22 - Interfund Transfer	(141,603.93)	-	-	141,603.93	-
October GOF Deposit	-	221,670.86	-	-	221,670.86
October Debit Card Purchase	-	(704.86)	-	-	(704.86)
11/04/22 - Aurora Water Xcel, EFT	-	(20,742.24)	-	-	(20,742.24)
11/04/22 - Xcel, EFT	-	(3,764.50)	-	-	(3,764.50)
November GOF Deposit	-	951.57	-	-	951.57
November Debit Card Purchase	-	(279.29)	-	-	(279.29)
Anticipated Vouchers payable	-	(40,000.00)	-	(147,964.03)	(187,964.03)
Anticipated Vouchers payable	(19,274.71)	(126,810.22)	-	(141,603.93)	(287,688.86)
<i>Anticipated Balance</i>	<u>5,793.99</u>	<u>112,017.16</u>	<u>-</u>	<u>-</u>	<u>117,811.15</u>
<u>Colotrust</u>					
Balance as of 09/30/22	876,906.19	827,278.65	-	-	1,704,184.84
Subsequent activities:					
10/10/22 - Tax distribution	2,748.19	-	15,546.35	-	18,294.54
10/28/22 - Transfer to 1st Bank	(150,000.00)	-	-	-	(150,000.00)
10/31/22 - Transfer to A-1 Bond Fund	-	-	(14,066.56)	-	(14,066.56)
10/31/22 - Transfer to A-2 Bond Fund	-	-	(1,479.79)	-	(1,479.79)
10/31/22 - Interest Income	2,359.20	2,266.68	-	-	4,625.88
11/01/22 - Transfer from 1st Bank	-	600,000.00	-	-	600,000.00
<i>Anticipated Balance</i>	<u>732,013.58</u>	<u>1,429,545.33</u>	<u>(0.00)</u>	<u>-</u>	<u>2,161,558.91</u>
<u>UMB - 2017 A-1 Bond Fund</u>					
Balance as of 09/30/22	-	-	2,077,540.55	-	2,077,540.55
Subsequent activities:					
10/31/22 - Transfer from CT	-	-	14,066.56	-	14,066.56
10/31/22 - Interest Income	-	-	3,451.14	-	3,451.14
Anticipated 12/01 DS Payment - Series 2017 A-1	-	-	(1,626,600.00)	-	(1,626,600.00)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>468,458.25</u>	<u>-</u>	<u>468,458.25</u>
<u>UMB - 2017 A-1 Reserve Fund</u>					
Balance as of 09/30/22	-	-	1,691,708.57	-	1,691,708.57
Subsequent activities:					
10/31/22 - Interest Income	-	-	2,826.92	-	2,826.92
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,694,535.49</u>	<u>-</u>	<u>1,694,535.49</u>
<u>UMB - 2017 A-2 Bond Fund</u>					
Balance as of 09/30/22	-	-	361,560.05	-	361,560.05
Subsequent activities:					
10/31/22 - Transfer from CT	-	-	1,479.79	-	1,479.79
10/31/22 - Interest Income	-	-	602.08	-	602.08
Anticipated 12/01 DS Payment - Series 2017 A-2	-	-	(141,637.50)	-	(141,637.50)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>222,004.42</u>	<u>-</u>	<u>222,004.42</u>
<u>UMB - 2017 A-2 Reserve Fund</u>					
Balance as of 09/30/22	-	-	150,112.41	-	150,112.41
Subsequent activities:					
10/31/22 - Interest Income	-	-	250.84	-	250.84
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>150,363.25</u>	<u>-</u>	<u>150,363.25</u>
<i>Anticipated Balances</i>	<u>\$ 737,807.57</u>	<u>\$ 1,541,562.49</u>	<u>\$ 2,535,361.41</u>	<u>\$ -</u>	<u>\$ 4,814,731.47</u>
<u>Current Yield - 10/31/22</u>					
Colotrust - 3.2053%					
UMB (Invested in Fidelity money market) - 2.70%					

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT #1
Property Tax Reconciliation Schedule
2022

	Current Year								Prior Year			
	Property Taxes	Net Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 16,721.37	\$ -	\$ -	\$ -	\$ 16,721.37	0.00%	0.00%	\$ 21,527.98	0.02%	0.02%
February	1,213,296.93	-	19,240.87	-	(18,199.45)	-	1,214,338.35	35.88%	35.88%	291,082.63	8.51%	8.54%
March	150,134.00	-	19,075.51	(142.91)	(2,249.87)	-	166,816.73	4.44%	40.32%	1,201,116.53	36.42%	44.95%
April	697,123.49	-	29,593.79	9.69	(10,456.99)	-	716,269.98	20.62%	60.94%	393,640.78	11.59%	56.54%
May	1,002,278.88	-	15,741.28	-	(15,231.93)	-	1,002,788.23	29.64%	90.58%	882,800.50	26.75%	83.29%
June	253,580.86	-	16,893.13	(580.76)	(3,795.00)	-	266,098.23	7.50%	98.08%	519,683.51	15.46%	98.75%
July	19.65	-	16,588.50	0.40	(0.30)	-	16,608.25	0.00%	98.08%	21,871.57	0.05%	98.80%
August	3,371.88	-	21,752.98	120.01	(52.38)	-	25,192.49	0.10%	98.18%	39,830.50	0.64%	99.44%
September	-	-	18,294.54	-	-	-	18,294.54	0.00%	98.18%	22,882.71	0.07%	99.51%
October	-	-	-	-	-	-	-	0.00%	98.18%	18,758.58	0.02%	99.53%
November	-	-	-	-	-	-	-	0.00%	98.18%	19,220.97	0.02%	99.55%
December	-	-	-	-	-	-	-	0.00%	98.18%	19,161.66	0.02%	99.57%
	\$ 3,319,805.69	\$ -	\$ 173,901.97	\$ (593.57)	\$ (49,985.92)	\$ -	\$ 3,443,128.17	98.18%	98.18%	\$ 3,451,577.92	99.57%	99.57%

	Taxes Levied	% of Levied	Property Tax Collected	% Collected to Amt. Levied
Property Tax				
General Fund	\$ 507,927	15.48%	\$ 498,418.49	98.13%
Debt Service (2017 A-1)	2,500,561	76.19%	2,453,749.94	98.13%
Debt Service (2017 A-2)	273,499	8.33%	268,379.04	98.13%
Debt Only (2017 A-1)	99,258	100.00%	99,258.22	100.00%
	<u>\$ 3,381,245</u>		<u>\$ 3,319,805.69</u>	<u>98.18%</u>
Specific Ownership Tax				
General Fund	\$ 35,555	15.48%	\$ 26,182.31	73.60%
Debt Service (2017 A-1)	175,039	76.19%	128,897.50	73.60%
Debt Service (2017 A-2)	19,145	8.33%	14,098.17	73.60%
Debt Only (2017 A-1)	6,948	100.00%	4,723.99	68.00%
	<u>\$ 236,687</u>		<u>\$ 173,901.97</u>	<u>73.47%</u>
Treasurer's Fees				
General Fund	\$ (7,619)	15.48%	\$ (7,505.47)	98.50%
Debt Service (2017 A-1)	(37,508)	76.19%	(36,950.07)	98.50%
Debt Service (2017 A-2)	(4,102)	8.33%	(4,041.43)	98.50%
Debt Only (2017 A-1)	(1,490)	100.00%	(1,488.95)	99.90%
	<u>\$ (50,719)</u>		<u>\$ (49,985.92)</u>	<u>98.55%</u>

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Billing Name	Sq. ft Percentage of Total	2022 Budgeted Monthly Billing	January	February	March	April	May	June	July	August	September	October	November	December	January
TJ Maxx Michaels/ Mens Warehouse/ Agree LP	355,168	5.01%	\$ 8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27	8,786.27
T-Mobile/ Cleaners/ AKAL Realty	54,060	0.76%	\$ 1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36	1,337.36
Centura Health	87,445	1.23%	\$ 2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25	2,163.25
Centura Health (Lot 4 - new)	44,612	0.63%	\$ 1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63	1,103.63
Centura Health (Lot 5 - new)	39,968	0.56%	\$ 986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27	986.27
Chil's	89,142	1.26%	\$ 2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23	2,205.23
Discount Tire	38,465	0.54%	\$ 951.56	951.56	951.56	951.56	951.56	951.56	951.56	951.56	951.56	951.56	951.56	951.56	0.10
Fitzsimons Credit Union	46,533	0.66%	\$ 1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15	1,151.15
GMRI - Olive Garden/Darden	79,836	1.13%	\$ 1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,975.01	1,605.28
GMRI - Red Lobster/Darden	77,186	1.09%	\$ 1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,909.45	1,799.30
Good Times	54,758	0.77%	\$ 1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62	1,354.62
HV-1	70,453	0.99%	\$ 1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89	1,742.89
JC Penney	431,671	6.09%	\$ 10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83	10,678.83
Fresh Fund	68,433	0.97%	\$ 1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41	1,693.41
Lazy Dog	24,096	0.34%	\$ 596.10	596.10	596.10	596.10	596.10	596.10	596.10	596.10	596.10	596.10	596.10	596.10	332.40
Office Depot/ LEJ Properties	71,045	1.00%	\$ 1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54	1,757.54
Jewelers/GNC/ Sprin/ LF-9	43,457	0.61%	\$ 1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05	1,075.05
Mister Hot Shine	68,266	0.96%	\$ 1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79	1,688.79
Mountain Del. LLC/ Colerado Del. LLC	58,736	0.83%	\$ 1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08	1,453.08
NWSL Power Center, LLC/Southlands PC	1,358,624	19.18%	\$ 33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11	33,610.11
NWSL Town Center, LLC / Southlands TC	1,593,198	22.49%	\$ 39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09	39,413.09
On The Border	85,900	1.21%	\$ 2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02	2,125.02
Dental/Five Guys/ Pacific Aurora LLC	71,800	1.01%	\$ 1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21	1,776.21
PF Changs	76,567	1.08%	\$ 1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14	1,894.14
Marriott/Safari	142,112	2.01%	\$ 3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62	3,515.62
Service Street Auto Repair/Spaco of CO	40,498	0.57%	\$ 1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85	1,001.85
Village Inn	60,205	0.85%	\$ 1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37	1,489.37
Vision Works/SLC	47,629	0.67%	\$ 1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26	1,178.26
Wal-Mart	1,128,974	15.94%	\$ 27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96	27,928.96
Wal-Mart/Sams Club	566,897	8.00%	\$ 14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67	14,016.67
Wells Fargo	56,923	0.80%	\$ 1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18	1,408.18
Wona 444, Inc./KFC/Harman	51,864	0.73%	\$ 1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03	1,283.03
Monthly	7,084,143	100%	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00	\$ 175,250.00
Year-to-Date			\$ 175,250.00	\$ 350,500.00	\$ 525,750.00	\$ 701,000.00	\$ 876,250.00	\$ 1,051,500.00	\$ 1,226,750.00	\$ 1,397,987.04	\$ 1,545,308.08	\$ 1,687,444.37	\$ 1,718,606.26	\$ 1,724,890.74	\$ 1,605,280.00

AR - 111050		Unearned Revenue - 113141	
HV-1	1,742.89	T-Mobile/ Cleaners/ AKAL I	1,337.36
Lazy Dog	263.70	Discount Tire	0.10
Mister Hot Shine	1,688.79	GMRI - Olive Garden/Dard	5,555.30
Village Inn	1,489.37	GMRI - Red Lobster/Darde	1,799.30
Wal-Mart	59,870.88	Good Times	1,354.62
		JC Penney	10,678.83
		Wal-Mart/Sams Club	18,326.14
Total	\$ 65,055.63		
Rounding	-		
GOF Revenue	\$ 1,752,500.00		\$ 39,051.65
Penalties			
Wal-Mart	9,600.55		
Chil's	94.70		
Lazy Dog	27.87		
Total	\$ 9,723.12		

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



Dazzio & Associates, PC
Certified Public Accountants

October 27, 2022

To the Board of Directors and Management
Southlands Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Southlands Metropolitan District No. 1 (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity

- 3) Assessed Valuation of Classes Of Property of the District
- 4) Taxpayers in the District
- 5) Estimated Overlapping General Obligation Debt

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom

we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$6,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Southlands Metropolitan District No. 1.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____



PK Kaiser, MBA, MS

Assessor

AUG 24 2022

August 24, 2022

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4650
TDD: Relay-711
Fax:303-738-7863

<http://co-arapahoe-ptoc.publicaccessnow.com>
arapahoep@arapahoegov.com

AUTH 4642 SOUTHLANDS METRO DIST #1
SPECIAL DISTRICT MANAGEMENT
SERVICES INC
C/O ANN E FINN
141 UNION BLVD SUITE 150
LAKEWOOD CO 80228-1898

Code # 4642

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$76,614,122

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: August 24, 2022

NAME OF TAX ENTITY: SOUTHLANDS METRO DIST #1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	78,142,543
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	76,614,122
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	76,614,122
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	43
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	57,759

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution
- * New construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY
--

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022.

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	244,267,042
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
---	----	----	---

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	318,602
--	--	----	---------

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____,
(taxing entity)^A
the _____,
(governing body)^B
of the _____,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____ 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: \$ _____ (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: _____ for budget/fiscal year _____ (no 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	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<input type="text"/> mills	\$ <input type="text"/>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	<input type="text"/> mills	\$ <input type="text"/>

Contact person: _____ Daytime phone: () _____
(print)
Signed: _____ Title: _____

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) 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: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

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.



PK Kaiser, MBA, MS

Assessor

AUG 24 2022

August 24, 2022

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4650
TDD: Relay-711
Fax: 303-738-7863

<http://co-arapahoe-ptoc.publicaccessnow.com>
arapahoep@arapahoegov.com

AUTH 4646 SOUTHLANDS METRO DIST #1
BOND
C/O ANN E FINN
141 UNION BLVD. SUITE 150
LAKEWOOD CO 80228-1898

Code # 4646

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$3,129,799

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: August 24, 2022

NAME OF TAX ENTITY: SOUTHLANDS METRO DIST #1 BOND

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	3,101,819
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	3,129,799
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	3,129,799
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	9,415,376
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
---	----	----	---

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	174
--	--	----	-----

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____ (taxing entity)^A
the _____ (governing body)^B
of the _____ (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 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: (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: _____ for budget/fiscal year _____ (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Includes a TOTAL row with a sum of general operating subtotal and lines 3 to 7.

Contact person: _____ Daytime phone: () _____
Signed: _____ Title: _____

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: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**SOUTHLANDS METRO DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 3,926,648	\$ 4,174,306	\$ 4,422,425	\$ 4,422,425	\$ 4,197,259
REVENUES					
Property taxes	3,272,883	3,381,245	3,316,434	3,381,245	3,317,947
Specific ownership tax	226,541	236,687	133,854	236,687	199,077
Interest income	2,716	2,200	10,853	18,500	20,000
General operations fee	2,010,000	2,103,000	1,226,750	1,858,931	2,103,000
Permits and fees	6,150	5,000	1,600	1,600	5,000
General operations fee - penalty and other	1,738	2,000	11,466	15,000	5,000
General operations fee - vacant lots	-	25,000	24,961	24,961	26,000
Total revenues	<u>5,520,028</u>	<u>5,755,132</u>	<u>4,725,918</u>	<u>5,536,924</u>	<u>5,676,024</u>
TRANSFERS IN	<u>190,793</u>	<u>700,000</u>	<u>250,147</u>	<u>500,000</u>	<u>450,000</u>
Total funds available	<u>9,637,469</u>	<u>10,629,438</u>	<u>9,398,490</u>	<u>10,459,349</u>	<u>10,323,283</u>
EXPENDITURES					
General and administrative	257,932	320,000	173,678	293,515	336,000
Operations and maintenance	1,684,197	2,210,000	920,846	2,023,000	2,350,000
Debt service	2,891,329	2,955,000	1,176,674	2,945,575	2,960,000
Capital projects	190,793	700,000	250,147	500,000	450,000
Total expenditures	<u>5,024,251</u>	<u>6,185,000</u>	<u>2,521,345</u>	<u>5,762,090</u>	<u>6,096,000</u>
TRANSFERS OUT	<u>190,793</u>	<u>700,000</u>	<u>250,147</u>	<u>500,000</u>	<u>450,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,215,044</u>	<u>6,885,000</u>	<u>2,771,492</u>	<u>6,262,090</u>	<u>6,546,000</u>
ENDING FUND BALANCES	<u>\$ 4,422,425</u>	<u>\$ 3,744,438</u>	<u>\$ 6,626,998</u>	<u>\$ 4,197,259</u>	<u>\$ 3,777,283</u>
EMERGENCY RESERVE	\$ 16,000	\$ 16,500	\$ 15,800	\$ 16,600	\$ 16,300
GENERAL & ADMIN RESERVE	350,000	250,000	250,000	250,000	250,000
CAPITAL REPLACEMENT RESERVE	200,000	200,000	200,000	200,000	200,000
GOF RESERVE	978,108	650,000	650,000	650,000	650,000
SERIES 2017 A-1 RESERVE	1,687,625	1,687,625	1,687,625	1,687,625	1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 3,681,483</u>	<u>\$ 3,253,875</u>	<u>\$ 3,253,175</u>	<u>\$ 3,253,975</u>	<u>\$ 3,253,675</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Commercial	\$ 74,707,402	\$ 77,079,761	\$ 77,079,761	\$ 77,079,761	\$ 75,387,333
State assessed	646,190	647,600	647,600	647,600	696,730
Vacant land	418,563	415,182	415,182	415,182	530,059
Certified Assessed Value	<u>\$ 75,772,155</u>	<u>\$ 78,142,543</u>	<u>\$ 78,142,543</u>	<u>\$ 78,142,543</u>	<u>\$ 76,614,122</u>
MILL LEVY					
General	6.500	6.500	6.500	6.500	6.500
Debt Service Fund - Series 2017 A-1	32.000	32.000	32.000	32.000	32.000
Debt Service Fund - Series 2017 A-2	3.500	3.500	3.500	3.500	3.500
Total mill levy	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>
PROPERTY TAXES					
General	\$ 492,519	\$ 507,927	\$ 507,927	\$ 507,927	\$ 497,992
Debt Service Fund - Series 2017 A-1	2,424,709	2,500,561	2,500,561	2,500,561	2,451,652
Debt Service Fund - Series 2017 A-2	265,203	273,499	273,499	273,499	268,149
Levied property taxes	3,182,431	3,281,987	3,281,987	3,281,987	3,217,793
Adjustments to actual/rounding	(14,162)	-	(7,052)	-	-
Refunds and abatements	-	-	(57,759)	-	-
Budgeted property taxes	<u>\$ 3,168,269</u>	<u>\$ 3,281,987</u>	<u>\$ 3,217,176</u>	<u>\$ 3,281,987</u>	<u>\$ 3,217,793</u>
ASSESSED VALUATION					
Commercial	\$ 2,999,470	\$ 2,730,234	\$ 2,730,234	\$ 2,730,234	\$ 2,730,234
State assessed	10	10	10	10	80
Vacant land	145	145	145	145	145
Personal property	269,556	371,430	371,430	371,430	399,340
Certified Assessed Value	<u>\$ 3,269,181</u>	<u>\$ 3,101,819</u>	<u>\$ 3,101,819</u>	<u>\$ 3,101,819</u>	<u>\$ 3,129,799</u>
MILL LEVY					
Debt Service Fund - Series 2017 A-1	32.000	32.000	32.000	32.000	32.000
Total mill levy	<u>32.000</u>	<u>32.000</u>	<u>32.000</u>	<u>32.000</u>	<u>32.000</u>
PROPERTY TAXES					
Debt Service Fund - Series 2017 A-1	104,614	99,258	99,258	99,258	100,154
Levied property taxes	104,614	99,258	99,258	99,258	100,154
Certified Assessed Value	<u>\$ 104,614</u>	<u>\$ 99,258</u>	<u>\$ 99,258</u>	<u>\$ 99,258</u>	<u>\$ 100,154</u>
BUDGETED PROPERTY TAXES					
General	\$ 490,327	\$ 507,927	\$ 497,897	\$ 507,927	\$ 497,992
Debt Service	2,782,556	2,873,318	2,818,537	2,873,318	2,819,955
	<u>\$ 3,272,883</u>	<u>\$ 3,381,245</u>	<u>\$ 3,316,434</u>	<u>\$ 3,381,245</u>	<u>\$ 3,317,947</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METRO DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 871,273	\$ 941,998	\$ 953,633	\$ 953,633	\$ 712,200
REVENUES					
Property taxes	490,327	507,927	497,897	507,927	497,992
Specific ownership tax	33,944	35,555	20,166	35,555	29,880
Interest income	664	500	4,464	7,000	8,000
Permits and fees	6,150	5,000	1,600	1,600	5,000
Total revenues	<u>531,085</u>	<u>548,982</u>	<u>524,127</u>	<u>552,082</u>	<u>540,872</u>
Total funds available	<u>1,402,358</u>	<u>1,490,980</u>	<u>1,477,760</u>	<u>1,505,715</u>	<u>1,253,072</u>
EXPENDITURES					
General and administrative					
Accounting	51,363	57,000	35,630	59,000	65,000
Auditing	5,800	6,000	5,800	5,800	6,500
County Treasurer's fee	7,358	7,619	7,497	7,619	7,470
Directors' fees	2,900	4,000	1,200	3,000	4,000
Dues and licenses	1,238	2,000	545	545	2,000
Insurance and bonds	39,333	45,000	36,951	36,951	45,000
District management	59,769	68,000	26,565	65,000	72,000
Legal services	43,196	50,000	22,866	50,000	55,000
Miscellaneous	602	5,000	391	600	5,000
Billing services	10,279	13,000	6,878	12,000	13,000
Election expense	-	3,000	1,805	3,000	3,000
Public Events	36,094	50,000	27,550	50,000	50,000
Contingency	-	9,381	-	-	8,030
Total expenditures	<u>257,932</u>	<u>320,000</u>	<u>173,678</u>	<u>293,515</u>	<u>336,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>190,793</u>	<u>700,000</u>	<u>250,147</u>	<u>500,000</u>	<u>450,000</u>
Total expenditures and transfers out requiring appropriation	<u>448,725</u>	<u>1,020,000</u>	<u>423,825</u>	<u>793,515</u>	<u>786,000</u>
ENDING FUND BALANCES	<u>\$ 953,633</u>	<u>\$ 470,980</u>	<u>\$ 1,053,935</u>	<u>\$ 712,200</u>	<u>\$ 467,072</u>
EMERGENCY RESERVE	\$ 16,000	\$ 16,500	\$ 15,800	\$ 16,600	\$ 16,300
GENERAL & ADMIN RESERVE	350,000	250,000	250,000	250,000	250,000
CAPITAL REPLACEMENT RESERVE	200,000	200,000	200,000	200,000	200,000
TOTAL RESERVE	<u>\$ 566,000</u>	<u>\$ 466,500</u>	<u>\$ 465,800</u>	<u>\$ 466,600</u>	<u>\$ 466,300</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1
GENERAL OPERATIONS FEE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 650,000	\$ 729,000	\$ 978,108	\$ 978,108	\$ 860,000
REVENUES					
Interest income	567	1,000	3,275	6,000	6,000
General operations fee	2,010,000	2,103,000	1,226,750	1,858,931	2,103,000
General operations fee - vacant lots	-	25,000	24,961	24,961	26,000
General operations fee - penalty and other	1,738	2,000	11,466	15,000	5,000
Total revenues	<u>2,012,305</u>	<u>2,131,000</u>	<u>1,266,452</u>	<u>1,904,892</u>	<u>2,140,000</u>
Total funds available	<u>2,662,305</u>	<u>2,860,000</u>	<u>2,244,560</u>	<u>2,883,000</u>	<u>3,000,000</u>
EXPENDITURES					
Operations and maintenance					
Floral	148,500	190,000	168,242	230,000	230,000
Monthly cleaning	201,460	230,000	106,463	230,000	260,000
Pest control	15,225	10,000	-	10,000	10,000
Property maintenance	115,393	120,000	67,394	116,000	120,000
Landscape maintenance & irrigation repair	241,517	250,000	141,134	250,000	275,000
Property management	36,529	40,000	21,032	40,000	40,000
Repairs and maintenance	204,930	380,000	41,518	222,000	375,000
Security	62,869	75,000	35,098	100,000	130,000
Signage and decor	127,855	-	-	-	-
Signage	-	100,000	13,007	20,000	-
Holiday decor	-	115,000	-	115,000	175,000
Snow removal	260,347	350,000	179,525	350,000	350,000
Street lighting/ striping	42,340	75,000	28,115	115,000	75,000
Street repairs/sidewalk	37,746	45,000	-	-	100,000
Street sweeping	22,860	15,000	9,120	20,000	25,000
Traffic signals maintenance	12,925	35,000	30,435	35,000	15,000
Utilities	153,701	180,000	79,763	170,000	170,000
Total expenditures	<u>1,684,197</u>	<u>2,210,000</u>	<u>920,846</u>	<u>2,023,000</u>	<u>2,350,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,684,197</u>	<u>2,210,000</u>	<u>920,846</u>	<u>2,023,000</u>	<u>2,350,000</u>
ENDING FUND BALANCES	<u>\$ 978,108</u>	<u>\$ 650,000</u>	<u>\$ 1,323,714</u>	<u>\$ 860,000</u>	<u>\$ 650,000</u>
GOF RESERVE	<u>\$ 978,108</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>
TOTAL RESERVE	<u>\$ 978,108</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METRO DISTRICT NO. 1
GENERAL OPERATIONS FEE FUND - REPAIRS AND MAINTENANCE
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

10/13/22

BUDGET	ESTIMATED	BUDGET
2022	2022	2023

REPAIRS AND MAINTENANCE

Banners	\$ 15,000	\$ 22,000	\$ 25,000
Retaining wall repairs/replace caps	-	70,000	75,000
Tree replacement/removal/care	100,000	110,000	125,000
Fountains/chemicals	45,000	10,000	15,000
Contingency/other	50,000	-	50,000
Detention pond	15,000	-	15,000
Playground inspections/repairs	5,000	5,000	10,000
Irrigation system upgrade	85,000	-	50,000
Locates	5,000	5,000	10,000
TOTAL	\$ 380,000	\$ 222,000	\$ 375,000

**SOUTHLANDS METRO DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,405,375	\$ 2,503,308	\$ 2,490,684	\$ 2,490,684	\$ 2,625,059
REVENUES					
Property taxes	2,782,556	2,873,318	2,818,537	2,873,318	2,819,955
Specific ownership tax	192,597	201,132	113,688	201,132	169,197
Interest income	1,485	700	3,114	5,500	6,000
Total revenues	<u>2,976,638</u>	<u>3,075,150</u>	<u>2,935,339</u>	<u>3,079,950</u>	<u>2,995,152</u>
Total funds available	<u>5,382,013</u>	<u>5,578,458</u>	<u>5,426,023</u>	<u>5,570,634</u>	<u>5,620,211</u>
EXPENDITURES					
Debt Service					
Bond interest - Series 2017 A-1	2,088,950	2,073,200	1,036,600	2,073,200	2,055,500
Bond interest - Series 2017 A-2	184,625	183,275	91,638	183,275	181,775
Bond principal - Series 2017 A-1	525,000	590,000	-	590,000	610,000
Bond principal - Series 2017 A-2	45,000	50,000	-	50,000	55,000
Contingency	-	9,425	-	-	9,426
County Treasurer's fee	41,754	43,100	42,436	43,100	42,299
Paying agent fees	6,000	6,000	6,000	6,000	6,000
Total expenditures	<u>2,891,329</u>	<u>2,955,000</u>	<u>1,176,674</u>	<u>2,945,575</u>	<u>2,960,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,891,329</u>	<u>2,955,000</u>	<u>1,176,674</u>	<u>2,945,575</u>	<u>2,960,000</u>
ENDING FUND BALANCES	<u>\$ 2,490,684</u>	<u>\$ 2,623,458</u>	<u>\$ 4,249,349</u>	<u>\$ 2,625,059</u>	<u>\$ 2,660,211</u>
SERIES 2017 A-1 RESERVE	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 2,137,375</u>				

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 7/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Interest income	-	-	-	-	-
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from other funds	190,793	700,000	250,147	500,000	450,000
Total funds available	190,793	700,000	250,147	500,000	450,000
EXPENDITURES					
Capital Projects					
Monument	178,225	-	-	-	-
Medians	12,568	400,000	250,147	500,000	-
Signage	-	300,000	-	-	-
Other Projects	-	-	-	-	450,000
Total expenditures	190,793	700,000	250,147	500,000	450,000
Total expenditures and transfers out requiring appropriation	190,793	700,000	250,147	500,000	450,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2023 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. On January 11, 2016, the City Council approved the Second Amendment to the Service Plan which increases the debt issuance limitation to \$125,000,000.

The District has no employees and all administrative functions are contracted.

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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2023 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 the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 6% 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.

Interest Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Operations and Maintenance

Operations and maintenance expenditures have been provided based on estimates of the District's Board of Directors and consultants and include costs associated with the operations and maintenance of certain facilities and improvements throughout the District.

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Refunding Bonds, Series 2017A-1 and Series 2017A-2 (discussed under Debt and Leases).

Debt and Leases

On December 1, 2017, the District refunded its General Obligation Refunding and Improvement Bonds, Series 2007 (the 2007 Bonds) and General Obligation Loan, Series 2016 (the 2016 Loan) by the issuances of \$44,690,000 General Obligation Refunding Bonds, Series 2017A-1, and \$3,945,000 General Obligation Refunding Bonds, Series 2017A-2, respectively (the 2017 Bonds). The proceeds were used for the purposes of (i) refunding the 2007 Bonds and 2016 Loan, (ii) funding the debt service reserve requirement (the 2017A-1 Reserve Fund and the 2017A-2 Reserve Fund); and (iii) paying costs of issuance of the 2017 Bonds.

The 2017 Bonds, mature on December 1, 2047 with an interest rates of 3.000% - 5.000%, are payable semi-annually on June 1 and December 1. The 2017 Bonds maturing on or after December 1, 2047 are subject to redemption prior to maturity, at the option of the District, as whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2047 and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

The 2017 Bonds are general obligations of the District secured by and payable from the Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Unlimited Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Unlimited Mill Levy; and (iii) any other legally available moneys of the District deposited in the Bond Fund or the Reserve Fund.

Approximately 11.5 acres, generally encompassing the Lowe's Home Improvement Warehouse, were excluded from the boundaries of the District on November 7, 2007 (the Excluded Property). Accordingly, the Excluded Property is subject to ad valorem taxes by the District to pay the Series 2017A-1 Bonds but will not be subject to ad valorem taxes to pay the Series 2017A-2 Bonds.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases– (continued)

For the purposes of paying the principal and interest on the Bonds, the Board is to annually determine and certify to the County each year in which the 2017 Bonds remain outstanding, in addition to all other taxes, the Unlimited Mill Levy. The 2017 Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine and certify a rate of levy for ad valorem property taxes in an amount sufficient to pay, along with other legally available revenues, the principal and interest on the 2017 Bonds.

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 2023, as defined under TABOR.

Debt Service Reserve

At time of issuance of the 2017 Bonds, the 2017A-1 Reserve Fund and the 2017A-2 Reserve Fund have been established for the purpose of paying the principal and/or interest on Series 2017A-1 and Series 2017A-2 to the extent the moneys in the Fond Fund are insufficient for such purpose. The 2017A-1

Reserve Fund and 2017A-2 Reserve Fund are required to be maintained at all times in the amounts of \$1,687,625 and \$149,750, respectively.

This information is an integral part of the accompanying budget.

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

**\$44,690,000 General Obligation Refunding Bonds,
Series 2017 A-1
Dated December 1, 2017
Interest - 3.000% - 5.000%
Payable June 1 and December 1
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 610,000	\$ 2,055,500	\$ 2,665,500
2024	685,000	2,034,150	2,719,150
2025	705,000	2,010,175	2,715,175
2026	785,000	1,985,500	2,770,500
2027	815,000	1,958,025	2,773,025
2028	895,000	1,929,500	2,824,500
2029	940,000	1,884,750	2,824,750
2030	1,045,000	1,837,750	2,882,750
2031	1,100,000	1,785,500	2,885,500
2032	1,210,000	1,730,500	2,940,500
2033	1,270,000	1,670,000	2,940,000
2034	1,390,000	1,606,500	2,996,500
2035	1,460,000	1,537,000	2,997,000
2036	1,595,000	1,464,000	3,059,000
2037	1,675,000	1,384,250	3,059,250
2038	1,820,000	1,300,500	3,120,500
2039	1,910,000	1,209,500	3,119,500
2040	2,070,000	1,114,000	3,184,000
2041	2,170,000	1,010,500	3,180,500
2042	2,345,000	902,000	3,247,000
2043	2,460,000	784,750	3,244,750
2044	2,650,000	661,750	3,311,750
2045	2,780,000	529,250	3,309,250
2046	2,985,000	390,250	3,375,250
2047	4,820,000	241,000	5,061,000
	<u>\$ 42,190,000</u>	<u>\$ 35,016,600</u>	<u>\$ 77,206,600</u>

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

**\$3,945,000 General Obligation Refunding Bonds,
Series 2017 A-2
Dated December 1, 2017
Interest - 3.000% - 5.000%
Payable June 1 and December 1
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 55,000	\$ 181,775	\$ 236,775
2024	60,000	179,850	239,850
2025	65,000	177,750	242,750
2026	70,000	175,475	245,475
2027	65,000	173,025	238,025
2028	80,000	170,750	250,750
2029	85,000	166,750	251,750
2030	95,000	162,500	257,500
2031	95,000	157,750	252,750
2032	105,000	153,000	258,000
2033	110,000	147,750	257,750
2034	125,000	142,250	267,250
2035	130,000	136,000	266,000
2036	140,000	129,500	269,500
2037	150,000	122,500	272,500
2038	160,000	115,000	275,000
2039	170,000	107,000	277,000
2040	185,000	98,500	283,500
2041	190,000	89,250	279,250
2042	205,000	79,750	284,750
2043	220,000	69,500	289,500
2044	235,000	58,500	293,500
2045	245,000	46,750	291,750
2046	265,000	34,500	299,500
2047	425,000	21,250	446,250
	<u>\$ 3,730,000</u>	<u>\$ 3,096,625</u>	<u>\$ 6,826,625</u>

No assurance provided. See summary of significant assumptions.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 665,000	\$ 2,237,275	\$ 2,902,275
2024	745,000	2,214,000	2,959,000
2025	770,000	2,187,925	2,957,925
2026	855,000	2,160,975	3,015,975
2027	880,000	2,131,050	3,011,050
2028	975,000	2,100,250	3,075,250
2029	1,025,000	2,051,500	3,076,500
2030	1,140,000	2,000,250	3,140,250
2031	1,195,000	1,943,250	3,138,250
2032	1,315,000	1,883,500	3,198,500
2033	1,380,000	1,817,750	3,197,750
2034	1,515,000	1,748,750	3,263,750
2035	1,590,000	1,673,000	3,263,000
2036	1,735,000	1,593,500	3,328,500
2037	1,825,000	1,506,750	3,331,750
2038	1,980,000	1,415,500	3,395,500
2039	2,080,000	1,316,500	3,396,500
2040	2,255,000	1,212,500	3,467,500
2041	2,360,000	1,099,750	3,459,750
2042	2,550,000	981,750	3,531,750
2043	2,680,000	854,250	3,534,250
2044	2,885,000	720,250	3,605,250
2045	3,025,000	576,000	3,601,000
2046	3,250,000	424,750	3,674,750
2047	5,245,000	262,250	5,507,250
	<u>\$ 45,920,000</u>	<u>\$ 38,113,225</u>	<u>\$ 84,033,225</u>

No assurance provided. See summary of significant assumptions.

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Southlands Metropolitan District No. 1 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, CO on November 15, 2022, at 9:30 AM.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2023 BUDGET

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 6.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 35.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS NOVEMBER 15TH, 2022.

DISTRICT:

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

By: _____
Officer of the District

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

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 by a majority of the Board at a District meeting held at Southlands Management Office, 6155 South Main Street, Suite 260, Aurora, CO on November 15th, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of November, 2022.

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Preparation SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and SOUTHLANDS METROPOLITAN DISTRICT NO. 1 (“you” and “your”). The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Thuy Dam is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records
 - Process accounts payable including the preparation and issuance of checks for approval by the Board of Directors.
 - Prepare billings, record billings, enter cash receipts, and track revenues
 - Reconcile certain accounts regularly and prepare journal entries
 - Prepare depreciation schedules

- Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.
- Prepare a schedule of cash position to manage the district’s cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district’s board of directors.
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district’s board of directors in monitoring actual expenditures against appropriation/budget.
- Oversee investment of district funds based on investment policies established by the board of directors, but in any case, in accordance with State law.
- Research and make recommendations to the board of directors on financial investments and cash management matters, as requested.
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district’s auditors.
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.
- Review claims for reimbursement from related parties prior to the board of directors’ review and approval.
- Read supporting documentation related to the district’s acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements’ requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.
- Attend board meetings as requested.
- Be available during the year to consult with you on any accounting matters related to the district.
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of directors.
- Develop and track key business metrics as requested and review periodically with the board of directors.

- Document accounting processes and procedures
- Continue process and procedure improvement implementation
- Report and manage cash flows
- Assist with bank communications.
- Perform other non-attest services.

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services – financial statements

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services – annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district’s auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management’s knowledge and belief, the entity’s expected financial position, results of operations, and cash flows for the forecast period. It is based on management’s assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any

wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of directors of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of directors of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation on the Application for Exemption from Audit (if an audit is not required), we will not issue report on the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: "No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted".

If an audit is required, the year-end financial statements prepared for use by the district's auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed

by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
 - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii. Additional information that may be requested for the purpose of the engagement.
 - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$500
Chief Financial Officer	\$280 - \$385
Controller	\$220 - \$330
Assistant Controller	\$190 - \$250
Senior	\$140 - \$190
Staff	\$120 - \$165
Administrative support	\$110 - \$150

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Thuy Dam
Principal
Thuy.Dam@CLAconnect.com

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Payroll Services SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and SOUTHLANDS METROPOLITAN DISTRICT NO. 1 (“you” and “your”). The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of payroll preparation services

We will provide the following payroll preparation services from information you provide:

- For each pay period:
 - Perform payroll calculations
 - Prepare payroll checks or pay-stubs in the case of direct deposit of employee net pay
 - Initiate electronic transfer of funds for employee net pay and payroll tax deposit liabilities
 - Processing retirement plan contribution payments
 - Preparation of information needed for the retirement plan and other census information
- Prepare the following government forms annually for each calendar year-end (may be filed electronically):
 - All copies of required forms W-2 and W-3
 - Form 940 – Employers Annual Federal Unemployment Tax Return, if applicable
 - Form 943 – Employers Annual Tax Return for Agricultural Employees
 - All necessary state forms, if applicable
- If applicable, prepare the following government reporting forms for each calendar quarter-end (may be filed electronically):
 - Form 941 – Employers Quarterly Tax Return
 - State Employers Quarterly Withholding Return
 - State Employers Quarterly Unemployment Tax Return (SUTA)
 - Initiate electronic funds transfer for quarterly Federal Unemployment Tax (FUTA) liability
- Cash access services related to payroll services
 - Obtain one or more signature stamps bearing the name(s) and facsimile signature(s) of any of your officer(s) who are responsible for signing checks and bank drafts on your behalf.

- Obtain access to electronic signatures or signatures embedded into cloud-based software for the purpose of drafting payments on your behalf.
- Prepare checks to be drawn upon your bank account(s) and to use the above noted methods to thereby finally approve such checks for payment by the corresponding bank(s).
- Initiate the direct deposit of employee net pay from funds drawn upon your bank account(s).
- The following services would impair independence
 - Accept responsibility to authorize payment of client funds, electronically or otherwise, except as specifically provided for with respect to electronic payroll tax payments.
 - Accept responsibility to sign or cosign client checks, even if only in emergency situations.
 - Maintain a client’s bank account or otherwise have custody of a client’s funds or make credit for banking decisions for the client.

Our responsibility to you and limitations of the payroll services

We will prepare your federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the board of directors of the district of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify deficiencies in your internal control as part of this engagement but will promptly report them to the board of directors of the district if identified. You agree that we shall not be responsible for any misstatements in your payroll that we may not identify as a result of misrepresentations made to us by you.

Our payroll preparation services will include electronically transmitting information to taxing authorities and your financial institution to facilitate the electronic transfer of funds. Authorizations for us to provide these services will be made in separate communications.

Our payroll preparation services will include transmitting federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf. Authorizations for us to provide these services will be made in separate communications.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and returns. We will have no obligations with regard to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us. All necessary information should be provided to us within two days of the close of each payroll period or no later than two days prior to your payroll check date. A list of information we will require and the dates required will be provided in a separate communication.

For all nonattest services we may provide to you, including these payroll services, management agrees to assume all management responsibilities; oversee the services; by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls.
- Careful review of paychecks or pay-stubs, and payroll journals for each periodic payroll.
- Accuracy of information used in the preparation and filing of all government forms.
- Review and pre-approval of each electronic funds transfer initiated on your behalf for employee net pay amounts, payroll tax and withholding liabilities, and related benefit amounts.

You are responsible to carefully review the paper returns that we prepare on your behalf before signing and submitting them to tax authorities. You are responsible to review the paper copies of payroll forms and tax returns that were filed electronically on your behalf. We will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

You are also responsible for the payment of payroll tax and withholding liabilities. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at www.eftps.gov, or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

Your responsibilities relevant to CLA's access to your cash

Someone with management authority is responsible for the processes below. All approvals listed must be documented in writing, either electronically or manually:

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all payroll runs prior to cash being committed.

Fees

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Other than annual adjustments reflecting inflation, our professional fees will not fluctuate unless there is a significant change in the number of employees, taxing jurisdictions, or in the services you wish for us to provide. If such changes should occur, we will discuss any fee adjustments with you prior to making any changes to your billing. Lastly, any additional forms that you would like us to complete will be charged at an hourly fee.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$500
Chief Financial Officer	\$280 - \$385
Controller	\$220 - \$330
Assistant Controller	\$190 - \$250
Senior	\$140 - \$190
Staff	\$120 - \$165
Administrative support	\$110 - \$150

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

Tax examinations

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs.

Record retention

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of you.

Tax consulting services

This SOW also covers tax consulting services that may arise for which you seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for your information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

Communications and confidentiality

CLA will hold the information supplied by you to us in confidence and CLA will not disclose it to any other person or party, unless you authorizes us to do so, it is published or released by you, or it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

Consent to send you publications and other materials

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes your name and address as well as the business and financial information you provided to us.

By signing and dating this SOW, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the SOW.

Legal compliance

You agree to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to you or your business, including the accuracy and lawfulness of any reports you submit to any government regulator, authority, or agency. You also agree to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by you to any governmental or regulatory body, or for any insurance reimbursement in the event that you is requested to do so by any lawful authority. Except as outlined in this SOW, CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Thuy Dam
Principal
Thuy.Dam@CLAconnect.com

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Billing Services SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and SOUTHLANDS MD NO. 1 (“you” and “your”). The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Thuy Dam is responsible for the performance of the engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the engagement.

Billing services:

- Customer calls or emails;
- Develop payment arrangements for past due customers;
- Late notice inquiries;
- Owner/renter changes;
- Title company inquiries;
- HOA specific inquiries.
- Lockbox processing;
- Manual payments;
- Inventory analyses/processing;
- Late notice processing;
- Account adjustments;
- Customer set-ups;
- Payment processing and online payment processing;
- Monthly accounting/Financial Management interface;
- Prepare accounts receivable report as requested by the Board.

Engagement objectives and our responsibilities

Provide periodic billing and collection services to customers as requested and/or in accordance with the organization’s policies.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

2022-2023 hourly rates currently in effect for our services are as follows:

Additional Accounting Support	\$90-\$400
Supervisors/Directors	\$200-\$220
Senior Technicians	\$145-\$160
Technicians	\$95 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Unless otherwise stated in the organization's fee and collections resolution, CLA Billing Service staff shall be authorized to execute penalty or fee waivers per account, per calendar year, not to exceed \$100 in the aggregate. Any penalty or fee waivers in excess of \$100, per account, or any additional waivers requested by individual account holders must be approved by the Board of Directors.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Thuy Dam
Principal
Thuy.Dam@CLAconnect.com

APPROVED:

Signature

Title

Date

**RESOLUTION OF BOARD OF DIRECTORS
CALLING 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 §§ 32-1-101, *et seq.*, C.R.S. (the “**Special District Act**”); and

WHEREAS, the District is located entirely within Arapahoe County, Colorado (the “**County**”); 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 2, 2023, 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.
2. The Board names Ashley B. Frisbie 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 determines that: in addition to emailing to each registered elector at the email address provided by the county, or if no email is provided, by mailing to the household of each registered elector, notice of the call for nominations will be provided by posting on the District's website.
 - c. 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 shall also 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.

[Remainder of Page Intentionally Left Blank]

ADOPTED THIS 15th DAY OF NOVEMBER, 2022.

DISTRICT:

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

By: _____
Officer of the District

Attest:

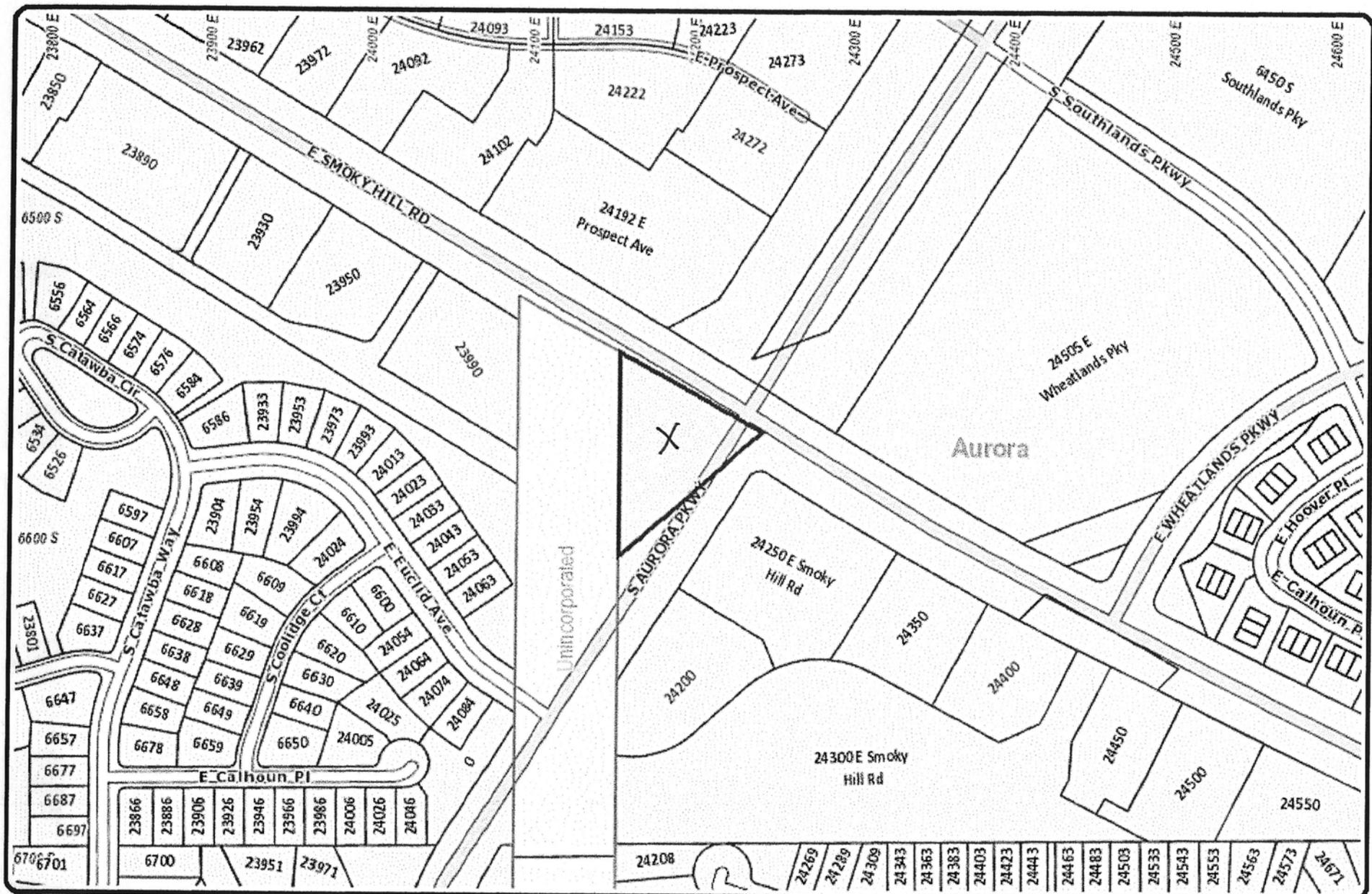
By: _____

APPROVED AS TO FORM:

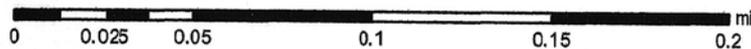
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

Signature Page to Resolution Calling Election



2071-19-4-00-001



ARAPAHOE COUNTY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THIS MAP OR THE DATA THAT IT DISPLAYS. ARAPAHOE COUNTY ASSUMES NO RESPONSIBILITY OR LIABILITY TO ANY USER. THIS MAP IS NOT A LEGAL DOCUMENT. IT IS INTENDED TO SERVE AS AN AID IN GRAPHIC REPRESENTATION ONLY.

Map Generated On: 10/31/2022

Generated by Arapahoe County's ArapaMAP



Map Location

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ANNUAL ADMINISTRATIVE RESOLUTION
(2023)

WHEREAS, Southlands Metropolitan District No. 1 (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 of Directors (the “**Board**”) of the District 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 the District’s 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’s 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’s 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: (a) obtain proposals for auditors to be presented to the Board; (b) 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 (c) to cause the audit to be filed with the State Auditor by July 31st, 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 31st in accordance with §29-1-604, C.R.S.

6. The Board directs the District’s 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 15th, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District's Manager to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, and directs the District's Manager to file the budget, budget resolution and budget message with the Division on or before January 30th, all in accordance with §§29-1-101, et seq., C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel, Manager and the Board when expenditures are expected to exceed appropriated amounts, and directs legal counsel to prepare all budget amendment resolutions and directs District Manager to schedule a public hearing on a proposed budget amendment and to post or publish notices thereof and to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§29-1-101, et seq., C.R.S.

9. 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 1st if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with §38-13-110, C.R.S.

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

11. The Board directs that all legal notices shall be published in accordance with §32-1-103(15), C.R.S.

12. The Board determines that each director shall receive compensation for their services as directors subject to the limitations set forth in §§32-1-902(3)(a)(I) & (II), C.R.S.

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

Chairman/President:	Martin Liles
Treasurer:	Joyce Rocha
Assistant Secretary:	April Elliott
Recording Secretary:	District Manager

14. 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.

15. 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.

16. 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. 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.

17. The Board directs the District's Manager to post notice of all regular and special meetings in accordance with §32-1-903(2) and §24-6-402(2)(c), C.R.S. The Board hereby designates www.colorado.gov/southlandsmid as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, the intersection of S. Aurora Parkway and Orchard Road as the location the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs the District's Manager to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to §24-32-116, C.R.S.

18. The Board determines to hold regular meetings on April 18, 2023, June 20, 2023 August 15, 2023, October 17, 2023, and November 21, 2023 at 9:30 am at Southlands Shopping Center, Management Office, 6155 S Main Street, Suite 260, Aurora, Colorado and by telephone, electronic, or other means not including physical presence.

All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. 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.

20. 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.

21. Pursuant to the authority set forth in §1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie, of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, 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.

22. 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.

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

24. Pursuant to the authority set forth in §24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Rose A. Vallesio of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

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

26. The Board directs the District's 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, , in accordance with §32-1-207(3)(c), C.R.S.

27. The Board directs the District's 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. The Board appoints the District's Manager to designate the proxy for the SDA Annual meeting for voting and quorum purposes.

28. 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's Manager to obtain workers' compensation coverage for the District.

29. The Board hereby directs the District's 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. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: www.colorado.gov/southlandsmdl

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

31. In accordance with §38-35-109.5(2), C.R.S, the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

32. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with §32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by §24-71.3-118, C.R.S.

33. 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.

34. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED NOVEMBER 15th, 2022.

(SEAL)

DISTRICTS :

**SOUTHLANDS METROPOLITAN
DISTRICT NO. 1**, a quasi-municipal
corporations and political subdivisions of the
State of Colorado

By: _____
Officer of the Districts

Attest:

By: _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the Districts

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 November 15th, 2022, at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, CO.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of November, 2022.

Signature

Printed Name



Agreement

For Work At

Southlands
6155 S Main St
Aurora CO 80016-5363
United States

Billing Address

Martin Liles
Southlands TC LLC
6155 S Main St Ste 260
Aurora CO 80016-5260
United States

Account Executive

070108 Derrick Campbell
dcampbell@yesco.com
720-458-7115
YESCO - Denver
11220 East 53rd Avenue
Suite 300
Denver CO 80239
United States

Date	Project Number	Project Description	Terms	Pricing Valid Until	Deposit
08/18/2022	PRY-41924	Southlands Main Street Display Add Extra RBG Stroke in Letters	Net 30	09/17/2022	\$3,345.89

Item	Amount
<p>Scope Yesco to supply and install a second stroke of RGB modules into the "SOUTHLANDS" custom channel letters on Main Street display to increase brightness of letters. New LED strokes to be wired into existing RGB control. Final startup and testing with additional stroke included. Work to be performed on site.</p> <p>Includes: Clean Up& Mobilization and clean up.</p> <p>Exclusions: No permit related fees included. No other work included. No lane closures or traffic control included.</p> <p>Project Price: \$ 6,497.00 (plus taxes and fees)</p>	
<p>Install Custom Signage Non Taxable Amount</p>	\$4,062.22
<p>Fabricate Custom Signage Taxable amount</p>	\$2,434.78
<p>Payment Terms Unless mutually agreed to in writing by both parties, YESCO's standard payment terms are 50% deposit due at time of contract signing with balance due 30 days after substantial completion.</p>	
	Subtotal \$6,497.00
	Tax Total (%) \$194.78
	Total \$6,691.78

Agreement Acceptance

YESCO's Standard Terms and Conditions, available below and at www.yesco.com/terms/standardtermsandconditions.pdf, are an integral part of this agreement and are incorporated by reference. Southlands TC LLC acknowledges that it has accessed and reviewed the Standard Terms and Conditions. Upon acceptance by an authorized agent of YESCO LLC, this agreement becomes effective as of the last date signed below. This document is a complete integration and final expression of the agreement between the parties, and may not be amended, supplemented, or otherwise modified except by written agreement executed by authorized representatives of each.

Southlands TC LLC	YESCO LLC
Signature	Signature
Title	Title
Name	Name
Date Signed	Date Signed

Standard Terms and Conditions

1. Terms: The terms and conditions described in this document are incorporated by reference into a written estimate, quotation, proposal, agreement, order, or other transaction form ("Transaction Document") (together with these YESCO Standard Terms and Conditions, the "Agreement"), and pertain to the manufacturing, repair, service, installation, or other goods or services provided by YESCO (the "Work", "goods", and/or "services") as requested by you, the Customer, as further described in the Transaction Document. "YESCO" refers to the entity providing the Work, as identified in the applicable Transaction Document, or in the absence thereof, YESCO LLC, a Utah limited liability company, doing business in California as YESCO Signs LLC.

2. Pricing Exclusions: YESCO's pricing does not include sales and use taxes, tariffs, customs fees, duties, or other charges levied by customs or taxing authorities, including any material cost increases due to the escalation of any of these costs ("Assessments"). Assessments may be noted in the Transaction Document; however, they are only estimates. You agree to pay the actual cost for these Assessments as invoiced by YESCO. You agree to bear the risk of Assessment increases in excess of the amounts included in the Transaction Document, including increases due to changes in sales tax rates, tariff increases, or similar occurrences.

3. Payment: In the absence of specified payment terms in the Transaction Document, you agree to pay 50% of the purchase price upon signing this Agreement and to pay the remaining balance upon completion of the Work. You agree to pay monthly payments, if any, on the first business day of each month in advance. If you choose to make payment(s) by credit card, you agree to pay a 2% surcharge on the total amount of such payment(s).

4. Inspection: You must carefully inspect the Work within ten calendar days after delivery. If the Work does not meet the written requirements as described in the Transaction Document, or if the Work has any defect in manufacture, installation, or operation, you must give YESCO written notice of the nonconformance or defect claimed within five calendar days. ABSENCE OF SUCH WRITTEN NOTICE SHALL BE CONCLUSIVE EVIDENCE THAT THE WORK IS ACCEPTABLE TO YOU AS DELIVERED. If a third-party carrier delivers any goods, you must inspect the goods and promptly notify YESCO and the carrier if any damage exists before moving the goods from the place of delivery. If damage exists, you must retain the packing materials and otherwise comply with all requirements necessary to preserve all claims against the carrier. If you or your agent moves the goods before inspecting the goods, accept the goods in a damaged condition, or otherwise fail to comply with the requirements of this paragraph, YESCO shall have no responsibility for defects notwithstanding the warranty set forth below.

5. Installation: If the Work involves installation of goods, additional work beyond that contemplated in the Agreement will be required if YESCO encounters subsurface or concealed conditions which are extraordinary or unexpected such as subsurface water, caliche, rock, utilities, or pipelines. You must compensate YESCO for such additional work on a time and materials basis at YESCO's standard rates. Further, YESCO shall not be responsible for damage to underground pipes, sewer lines, sprinkling systems, or any other underground obstructions unless notified of them in writing prior to commencement of the Work. Absent such written notification, you agree to pay for any resulting damage. YESCO is not an Exterior Insulation and Finish System ("EIFS") contractor, and if YESCO's responsibilities hereunder involve penetrations of EIFS, YESCO will seal such penetrations with products and procedures that are common in the sign industry—but which may not meet EIFS warranty requirements. YESCO shall thereafter have no responsibility for damage resulting from the penetrations.

6. Limited Warranty:

A. New Signs, Lighting, and other Manufactured Products. YESCO warrants that goods and services provided by YESCO (other than electronic displays and digitally-controlled lighting products) will be free from material defects in workmanship and materials for a period of one year from the date of delivery. This includes materials and factory labor. On-site labor is included only where YESCO performs the installation. Upon expiration of the one-year warranty, the goods are warranted solely in accordance with the manufacturer's separate warranty, if any. Electronic displays and digitally-controlled lighting products, related controllers, and similar components are warranted solely in accordance with the manufacturer's warranty, if any.

B. Service and Retrofit Services. YESCO warrants that service, repair and/or lighting retrofit services will be free from material defects in workmanship for a period of 90 days from the completion of the repair, maintenance, and/or retrofit. This includes on-site labor only; any goods are warranted solely in accordance with the manufacturer's warranty, if any. YESCO's warranties exclude damage caused by ordinary wear and tear, accident, abuse, misuse, misapplication of electricity, extreme winds or rain, hail, wildlife or rodent damage, or other casualty, unless the same is caused solely by YESCO. YESCO SPECIFICALLY DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY TYPE, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR PURPOSE. YESCO will either repair or replace, at YESCO's election, any part of the goods or services that prove to be materially defective during the warranty period, in accordance with the terms of the above warranties.

7. Extended Warranty: If the Work expressly includes an extended warranty for the recurring maintenance, service, or repair of goods over a term for a one-time, up-front payment or periodic payments over term, the provisions of this paragraph will apply. So long as your payment obligations are current, and you are not in default to YESCO or any YESCO affiliate under any agreement (e.g., a lease agreement), including this Agreement, YESCO agrees to service the goods only as described in the Work. When the goods require service, you agree to notify YESCO in writing, and YESCO shall, if practicable (e.g., parts are immediately available) and unless otherwise provided in this Agreement, acknowledge the request within five business days. YESCO's extended warranty obligations are inapplicable to damage for the same exclusions set forth in the limited warranty above, unless and to the extent the same is caused by YESCO. In the event that parts or materials become unavailable or in the event the goods or any components are or become unusually difficult or unsafe to access, YESCO may cancel its extended warranty obligations with respect to the affected goods or components and your exclusive remedy is for YESCO to proportionately credit any up-front payment or proportionately credit your periodic payment for the same. In the event that service is performed by a third party without the authorization of YESCO, YESCO may, at its option, suspend or terminate its extended warranty or service obligations without any credit to any up-front payment or reduction to any periodic payment upon written notice to you.

8. Risk of Loss, Damage or Destruction; Insurance: Except to the extent of damage caused by the negligent or otherwise wrongful acts of YESCO, you bear all risk of loss or damage to any goods, including, without limitation, loss or damage caused by seizure, casualty, vandalism, terrorism, accident, theft, riot, strike, insurrection, war, fire, and acts of God. Any shipments are FOB YESCO. Until your obligations are fully satisfied, at your sole cost and expense, you must insure any goods against loss or damage at least in the amount owed to YESCO for the Work, and you must name YESCO as loss payee with respect to such insurance.

9. Liens and Taxes: Until your obligations are fully satisfied, at your sole cost and expense you must maintain the Work free and clear of all levies, liens, and encumbrances. You must declare as required, and pay when due all taxes, fees, assessments, charges, and all associated penalties and interest (collectively "Assessments"). If YESCO, at its option, pays any Assessments, you must immediately reimburse YESCO for the same.

10. Security Interest: Until your obligations are fully satisfied, you agree that the Work and related goods are YESCO's property, free of any ownership claim by you, the owner of any adjacent realty, or the creditors of either. To secure the performance of your obligations, including, without limitation your payment obligations, you grant to YESCO a security interest in the goods and permission to perfect, assign, amend, continue, and terminate the security interest in any way allowed by applicable law, both as to personal property and as to fixtures.

11. Default: If you default in the payment of any amount when due, or fail to perform any other obligation in this Agreement after delivery of the Work or after YESCO is ready to perform the Work, whichever first occurs, or if at any time bankruptcy, receivership, or other insolvency proceedings are commenced by or against you or any guarantor, you will, without notice, become obligated to immediately pay to YESCO an amount equal to the sum of 1) all previously billed but unpaid amounts, and 2) all unbilled remaining amounts and other payments owed to YESCO pursuant to

any other agreement between you and YESCO or any of YESCO's affiliates. In addition, YESCO has the right to stop the Work, including, without limitation, suspending warranty obligations until YESCO is paid in full. You agree that these remedies for default are fair and reasonable compensation for the damage to YESCO resulting from your breach, and are not a penalty. YESCO's acceptance of a late payment(s) or forbearance of any other event of default shall not operate as a waiver of YESCO's rights as to any subsequent late payment(s) or any other event of default.

12. Repossession: If you fail to make any payment when due or otherwise default in any of your obligations in this Agreement, YESCO may terminate this Agreement and may (but has no obligation to) repossess the goods or any component(s) thereof, without resort to judicial process, and without liability for trespass. YESCO's right of repossession includes the right to remove the goods, and also to disconnect or otherwise render the goods unusable. Repossession is not an acceptance of your surrender of the goods, and shall not require patching painting, touch up, etc. afterwards. YESCO's rights of termination and repossession shall be in addition to and not as an alternative to YESCO's right to its other remedies in this Agreement and any other remedy available at law or in equity.

13. Indemnification: Except to the extent of YESCO's negligence or willful misconduct, you agree to indemnify, defend, and hold harmless YESCO and its officers, directors, employees, agents, and subcontractors from any and all claims, costs, expenses (including reasonable attorney's fees), damages, and liabilities, at law or in equity arising out of or related to the Work. The provisions of this paragraph shall survive the completion of the Work and/or the termination of the Agreement.

14. Disputes: The parties agree to use good faith efforts to resolve any claims or disputes that may arise. If unsuccessful for any reason, at YESCO's sole option and upon YESCO's written notice to you, such claims or disputes may be submitted to formal mediation, with each party to pay one-half of the costs. In the event of litigation, venue of any action shall be in Salt Lake County, State of Utah. This Agreement shall be governed and construed in accordance with Utah law, without regard to its conflict of laws provisions. YESCO shall not be liable for special, indirect, incidental or consequential damages, including lost profits, irrespective of cause or theory. If YESCO places this Agreement with a collection agency or an attorney for collection or enforcement, you must pay all costs and expenses resulting therefrom, including reasonable attorneys' fees.

15. Possession, Transfers, and Assignment: Until your obligations herein are fully satisfied, you must keep any goods in your sole possession and control, and will not allow the goods to be modified, relocated, removed, or otherwise tampered with in any way without YESCO's prior written consent. If you determine to sell or otherwise transfer ownership (or other rights) to your business assets, the Work, or the real property on which any goods are located, you agree to deliver to YESCO written notice of such intention at least 30 days prior to closing. At the time of closing and with proceeds therefrom, you agree to pay to YESCO all amounts then outstanding and all unbilled remaining amounts owed to YESCO, unless YESCO has previously agreed in writing to your assignment of this Agreement. All the terms and conditions hereof shall be binding upon and inure to the benefit of the successors, assigns, and legal representatives of the respective parties, including, if applicable, successors to your interest in the Work, the real property upon which any goods are located, and any successor owners of interests in any of your business assets. You may transfer your interests, rights, and obligations in this Agreement only upon the prior written consent of YESCO. YESCO may assign its interests, rights, and obligations in this Agreement as may be expedient to perform the Work.

16. Your Special Duties: You agree to warrant and obtain and maintain all necessary access rights (including computer access, if necessary) for YESCO to safely perform the Work on the premises for which the Work is ordered, and to disconnect, render unusable, and/or remove the Work, or any component or part thereof, free and clear of lien, encumbrance, or claim of trespass. You agree to indemnify YESCO against and hold YESCO harmless from damage or expense resulting from a breach of this provision. The Work excludes primary-side electrical and communication wiring, service, controllers (e.g., timers and photo cells), circuit breakers, and fuses. At your own expense, you agree to furnish and maintain power lines, controllers, and data service as necessary for the performance of the goods and compliance with applicable law, and agree to install the same as designated by YESCO ready and in place for connection to the goods at the intended time of installation, if applicable. You must pay all charges for electrical and data service, if required. You agree to provide all necessary reinforcements to any previously existing building, pole, base, or any other object or surface on which the goods will be installed, or which will be utilized by YESCO in the installation or access thereof, if applicable. You agree to advise YESCO in writing of all cellular antennas, microwave, and other equipment or hazards that may be dangerous to workers. YESCO's performance is subject to you properly securing or otherwise rendering safe all such dangers whenever YESCO's employees will be in the area.

You agree to bear all permitting and other compliance costs and risks pertaining to federal, state, or local laws, regulations, and ordinances or authoritative interpretations that relate to the placement, configuration, operation, and use of the goods and services. You acknowledge that outdoor advertising laws generally prohibit advertisements that are not the principal business, products, services, or activities where the advertisement is located. You agree to be solely responsible for the procurement of outdoor advertising permits (if desired) and compliance with outdoor advertising laws. You acknowledge and agree that your rights, whether arising under contract, permit from a land use authority, or otherwise, to install or operate the Work may be or become subject to revocation, limitation, suspension, condemnation, modification, restriction, or adverse interpretation by judicial, governmental agency, or other third party action. Upon the occurrence and during the pendency of any such event, you will not be released from your payment obligations under this Agreement.

17. Miscellaneous Provisions:

A. No statement made by YESCO's account executive(s) will be binding on YESCO unless incorporated in this Agreement in writing. Although the Agreement may be signed by YESCO's account executive(s), the Agreement shall not be binding upon YESCO for any purpose until an executive officer or another authorized agent of YESCO accepts this Agreement by providing a written signature evidencing such acceptance on the applicable Transaction Document.

B. Time is of the essence. All past due amounts shall bear an annual interest rate of the lesser of 18% percent or the maximum rate allowed by law.

C. Performance by YESCO shall be subject to delay due to strike, labor dispute, breakage, fire, unforeseen commercial delays, infectious disease, epidemic, pandemic, insurrection, war, acts of terror, acts of God, governmental regulation, or other causes beyond YESCO's reasonable control.

D. YESCO shall not be responsible for radio or television interference, nor for the replacement of light emitting diodes, neon tubing or other tubing because of color change or reduction of brilliance.

E. YESCO's listing of contractor's licenses available on the Internet at <http://www.yesco.com/licenses.html> is incorporated by reference herein.

F. If any part of this Agreement is found invalid or unenforceable, that part will be amended to achieve as nearly as possible the intent and economic effect of the original provision to the fullest extent permitted by law, and the remaining provisions shall continue in full force and effect.

G. Except for original works created by you or your agents, all designs, animations, or other advertising content (collectively, "Content") provided by YESCO is the sole property of YESCO. You warrant that you have the full legal right to use any original works created by you and delivered to YESCO by you for your use. You are granted a non-exclusive, non-transferable license to use the YESCO-owned Content for so long as you operate your business. You agree to not create derivative works of the YESCO-owned Content. YESCO may reject any request for Content that YESCO determines may reflect adversely on the character, integrity, or standing of any person or business.

This Agreement is a complete integration and final expression of the agreement between the parties, and may not be amended, supplemented, or otherwise modified except by written agreement executed by authorized representatives of each.



Invoice

Bill To

Martin Liles
Southlands TC LLC
6155 S Main St Ste 260
Aurora CO 80016-5260
United States

Ship To

Southlands
6155 S Main St
Aurora CO 80016-5363
United States

Remit To

YESCO - Denver
11220 East 53rd Avenue
Suite 300
Denver CO 80239
United States

Project Number / Invoice #	Terms	Account Executive
PRY-41924	DUE UPON ACCEPTANCE	070108 Derrick Campbell

Item	Amount
Down Payment Invoice for 50% (Prefunding)	\$3,345.89
Total	\$3,345.89

ACH Payment Authorization

By completing your ACH information below, you authorize YESCO to withdraw all payment(s) pursuant to the Agreement on the applicable due date (s) from Customer's depository account as described below. Written revocation of this authorization must be received by YESCO with at least 30 days prior notice.

Name on Bank Account		
Name of Bank	Checking	Savings
Bank Account Number		
Routing Number	Bank City and State	
E-mail Address for Receipt		Phone
Authorized Signature		Date



Estimate

Date	Estimate #
10/26/2022	EST65

Professional Tree & Turf Equipment
 6945 Indiana Ct #400
 Arvada CO 80007
 United States

Bill To

Expires	Exp. Close	Sales Rep
11/25/2022	10/26/2022	Sean Shepherd

Item	Description	Quantity	Units	Rate	Amount	Tax R...
TANKS:TNK68 LPA	68 GALLON LOW PROFILE RECTANGLE (21)	1		493.63	493.63	7.96%
PU:SHU505913 11D011	12 V 5GPM PVS 60SW 1/2NPSM (22)	1		282.72	282.72	7.96%
HAN01PW2-1/2	PW2 REEL WITH 1/2' PLUMBING (19)	1		252.01	252.01	7.96%
HOSE:HOSK11 3408	1/2' POLYAIR RED (19)	80		1.13	90.40	7.96%
PFB12HB	1/2' BRASS HOSE BARB, MALE (20)	2		5.61	11.22	7.96%
FRM68LP	68 GALLON LOW PROFILE TANK WITH ELEVATED PUMP AND MOTOR ALUMINUM FRAME	1		453.27	453.27	7.96%
UDB1200PSR	POLY/STAINLESS RIGHT SPRAY BOOMINATOR, 1.4 GPM @ 40 PSI (19)	1		52.53	52.53	7.96%
UDB1200PSL	POLY/STAINLESS LEFT SPRAY BOOMINATOR, 1.4 GPM @ 40 PSI (19)	1		54.11	54.11	7.96%
SSPAA144P1	DIRECTOVALVE (21)	2		200.58	401.16	7.96%
PTTEADJ45UP BRK	ADJUSTABLE HEIGHT 45-DEGREE UP BRACKET TO HOLD BOOM, OR BOOMLESS	1		162.11	162.11	7.96%
GUNS:GUNGE S505	GREEN GARDE GES505 GUN (19)	1		103.30	103.30	7.96%
PFN12GT	1/2' T FEMALE PT W/1/4' GAUGE PORT (20)	1		11.97	11.97	7.96%
GAUGES:GAU GG100	100 PSI GLYCERIN GAUGE (22)	1		14.99	14.99	7.96%
STRAP KIT 30 & 50 GAL.	STRAP KIT FOR 30 AND 50 GAL. PCO. TANK WITH ANCHORS	1		76.27	76.27	7.96%
3/4 IN SUCT DIA PUMP/PLUMBING	3/4" DIA. SUCT FOR DIAPHRAGM PUMP / STRAINER, BALL VALVE AND PLUMBING	1		70.00	70.00	7.96%
BVB12W2M	1/2' 600 WOG FULL PORT BALL VALVE BRASS (22)	1		10.77	10.77	7.96%
ELP11102	TOGGLE SWITCH, ATV (15)	1		8.74	8.74	7.96%
HYP2342926	1/2' SWIVEL WINGNUT STRAIGHT FITTING (22)	1		1.33	1.33	7.96%
HYP2343946	3/4' SWIVEL WINGNUT ELBOW POLY FITTING (22)	1		1.60	1.60	7.96%
LABOR	NEW EQUIPMENT BUILD/ASSEMBLY LABOR PER HOUR	5		110.00	550.00	
MISCELLANEOUS	MISC. SHOP SUPPLIES & MATERIALS, OIL DRY, SIKAFLEX, OIL DISPOSAL, ETC.	1		0.00	0.00	7.96%
					Subtotal	3,102.13
					Tax Total	203.15
					Total	\$3,305.28

Signature _____



EST65

Southlands Metro NO.1

Full Spectrum Lighting 2023

- Full Spectrum Lighting will maintain lighting on property. Night drive 2nd week of every month. Tech will report what known issues exist turning in work order, parts will be ordered after work order is turned in. Tech will return the following week to repair any lighting issues found the previous week.
- Full Spectrum Lighting will continue to carry up to date Certificate of Liability insurance.
- Full Spectrum Lighting is available for emergency services, on call tech can arrive within 4 hours.

Night Drive \$100.00 billed monthly

Electrical hourly rate \$90.00

Mobile welding hourly rate \$175.00

Labor hourly rate \$ 75.00

Service call \$65.00

Emergency rate is time and a half hourly rate

- Hours of operation 8am-5pm

Thank you,
Matthew Holmes | President
Full Spectrum Lighting
303-204-0949

INDEPENDENT CONTRACTOR AGREEMENT
(SNOW REMOVAL SERVICES)

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 4th day of October, 2022, by and between SOUTHLANDS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and CONSOLIDATED DIVISIONS INC d/b/a CDI ENVIRONMENTAL CONTRACTOR, a Colorado corporation (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District

in any manner whatsoever, except to the extent specifically provided in this Agreement (including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 20 hereof or (ii) May 31, 2025.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the

Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has and will continue to comply with all Laws while providing Services under this Agreement. "**Laws**" means: (i) federal, state, county and local or municipal body or agency laws, statutes, ordinances and regulations; (ii) any licensing bonding, and permit requirements; (iii) any laws relating to storage, use or disposal of hazardous wastes, substances or materials; (iv) rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant or employee of the District. Review, acceptance or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit A** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or

any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“**W-9**”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month and no later than thirty (30) days after the date the Services were performed, during the term of this Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10th of each month may be processed the following month.

8. CONTRACTOR RULES OF BUSINESS AND CONDUCT. The Contractor agrees to perform the Services in accordance with the Contractor Rules of Business and Conduct attached hereto as **Exhibit E**.

9. CONTRACTOR RULES AND REGULATIONS. The Contractor agrees to perform the Services in accordance with the Rules and Regulations attached hereto as **Exhibit F**. All references within **Exhibit F** to “Owners” shall be understood to include the District.

10. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 29 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District’s approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

11. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own

employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

12. **EQUAL OPPORTUNITY / EMPLOYMENT ELIGIBILITY.** This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

13. **CONTRACTOR'S INSURANCE.**

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees and agents is required for Commercial General Liability and Workers Compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement; nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

14. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

15. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the

Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

16. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 17, below.

17. INDEMNIFICATION.

a. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Contractor under workers' compensation acts, disability acts or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 17 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth in Section 17. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

18. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

19. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

20. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days prior written notice to the District and by the District by giving the Contractor thirty (30) days prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 21. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees and costs associated with such transition shall not be billed by the Contractor to the District.

21. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement,

the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 22 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

22. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 22 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Southlands Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228
Attention: Ann Finn
Phone: (303) 987-0835
Email: afinn@sdmsi.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Attention: Clint Waldron, Esq.
Phone: (303) 858-1800
E-mail: cwaldron@wbapc.com

Contractor: Consolidated Divisions Inc. d/b/a CDI
Environmental Contractor
5585 Airport Road
Sedalia, CO 80135
Attention: Jamie Salisbury
Phone: (303) 241-1853
Email: jamies@cdi-services.com

23. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

24. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

25. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

26. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

27. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

28. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

29. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

30. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

31. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

32. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

33. NO THIRD PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

34. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

35. WARRANTY. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “Work”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Work. All Services are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

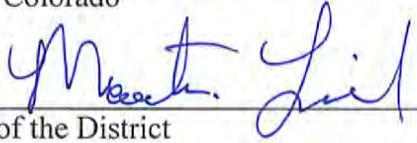
36. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

37. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature pages follow].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

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



Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel for the District

*District's Signature Page to Independent Contractor Agreement for Snow Removal Services
with Consolidated Divisions Inc. d/b/a CDI Environmental Contractor, dated September 28,
2022*

EXHIBIT A

SCOPE OF SERVICES/COMPENSATION SCHEDULE



To: M&JWILKOW	Contact: Quincy Hudspeth
Address: 6155 S Main Street Suite 260 Aurora, CO 80016	Phone: (303) 627-5405
	Fax:
Project Name: Southlands 1 Town Center 2022-2023 Snow Removal	Bid Number:
Project Location: Smokey Hill And Aurora Pkwy, Aurora, CO	Bid Date: 9/15/2022
Addendum #: 0	

Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Town Center				
Town Center Per Event 2" To 5"	1.00	EACH	\$20,187.00	\$20,187.00
Town Center Per Event 5" To 8"	1.00	EACH	\$37,547.00	\$37,547.00
Town Center Ice Melt Application Sidewalks	1.00	EACH	\$630.00	\$630.00
Time And Material				
4x4 Pickup With Plow	1.00	HR	\$106.00	\$106.00
Sand Truck	1.00	HR	\$106.00	\$106.00
ATV With Plow	1.00	HR	\$77.00	\$77.00
Zero-Turn With Plow	1.00	HR	\$105.00	\$105.00
Skidsteer With Plow	1.00	HR	\$121.00	\$121.00
Loader	1.00	HR	\$215.00	\$215.00
Snow Blower	1.00	HR	\$60.00	\$60.00
Dump Truck	1.00	HR	\$137.50	\$137.50
Tractor With Plow	1.00	HR	\$145.00	\$145.00
Laborer	1.00	HR	\$52.00	\$52.00
Snow Captain Site Supervision	1.00	HR	\$60.00	\$60.00
Ice Slicer (Granular) Purchased And Applied	1.00	TON	\$385.00	\$385.00
Ice Melt	1.00	BAG	\$66.00	\$66.00

Notes:

- Time and material will be billed for all work below 2" accumulation, over 8" accumulation or as directed by owner/management.
- The above stated rates are based on time and material. All services are charged portal to portal. There is a minimum charge of 1 hour per push and 1 bag (50 lb) ice melt and/or 1/2 ton ice slicer. Client agrees to pay contractor for time and materials utilized by the contractor. Items listed above include the operator fee in the hourly rate.

Consolidated Divisions, Inc. dba CDI | ENVIRONMENTAL CONTRACTOR
An Equal Opportunity Employer

Payment Terms:

Payment due 30 days from invoice.

EXHIBIT B

CONTRACTOR'S COMPLETED W-9

EXHIBIT C

INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 13 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
 - a. premises operations;
 - b. personal injury liability without employment exclusion;
 - c. limited contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage;
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

EXHIBIT C-1

CERTIFICATE(S) OF INSURANCE

EXHIBIT D

CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE

**OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO**

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

CONSOLIDATED DIVISIONS INC.

is a

Corporation

formed or registered on 03/03/1995 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 19951026745 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 09/27/2022 that have been posted, and by documents delivered to this office electronically through 09/28/2022 @ 12:53:51 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 09/28/2022 @ 12:53:51 in accordance with applicable law. This certificate is assigned Confirmation Number 14348887 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****
Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

EXHIBIT E

CONTRACTOR RULES OF BUSINESS AND CONDUCT

METRO DISTRICT

CONTRACTOR RULES OF BUSINESS AND CONDUCT

1. METRO DISTRICT HIRED CONTRACTORS AND THEIR SUB-CONTRACTORS, WHEN PERFORMING SERVICES ON BEHALF OF THE METRO DISTRICT, MUST WORK ONLY ON METRO DISTRICT PROPERTY. IF ACCESS IS REQUIRED TO PROPERTY NOT OWNED BY THE DISTRICT THEN ACCESS MUST BE APPROVED BY THE APPROPRIATE MANAGEMENT COMPANY.
2. WHEN PERFORMING SERVICES ON BEHALF OF THE METRO DISTRICT, METRO DISTRICT HIRED CONTRACTORS MUST WEAR UNIFORMS THAT IDENTIFY THE COMPANY FOR WHOM THEY WORK.
3. ALL SERVICES PROVIDED BY METRO DISTRICT HIRED CONTRACTORS MUST BE PRECEDED BY EITHER AN APPROVED, SIGNED CONTRACT, OR AN APPROVED, SIGNED PURCHASE ORDER. EMAIL APPROVALS WILL BE ACCEPTED IN TIME SENSITIVE SITUATIONS.
4. NO EQUIPMENT OR SUPPLIES BELONGING TO METRO DISTRICT HIRED CONTRACTORS SHALL BE STORED IN OR PLACED ON OTHER THAN A PRE-APPROVED LOCATION. APPROVAL SHALL BE GIVEN BY THE METRO DISTRICT MANAGERS IN ADVANCE OF WORK COMMENCEMENT.
5. ALL METRO DISTRICT HIRED CONTRACTORS WILL, AT ALL TIMES WHEN PERFORMING SERVICES FOR THE METRO DISTRICT, CONDUCT THEMSELVES IN A PROFESSIONAL MANNER AND REFRAIN FROM THE FOLLOWING:
 - CONSUMPTION OF ALCOHOL ON THE PREMISES OR BE UNDER THE INFLUENCE OF ALCOHOL WHILE WORKING ON THE PREMISES.
 - CONSUMPTION OF CONTROLLED SUBSTANCES OR BEING UNDER THE INFLUENCE OF CONTROLLED SUBSTANCES WHILE WORKING ON THE PREMISES..
 - CARRYING FIREARMS WHILE ON ANY PORTION OF THE ENTIRE SOUTHLANDS SITE.
 - USING PROFANITY WHILE ON THE PREMISES.
 - COMMITTING ANY OTHER ACT THAT MAY BE DEEMED UNLAWFUL AND SUBJECT TO PROSECUTION PER STATE AND LOCAL STATUTES.
6. ALL METRO DISTRICT HIRED CONTRACTORS ARE PROHIBITED FROM SPEAKING WITH THE MEDIA ON ISSUES RELATING TO SOUTHLANDS. ALL MEDIA REQUESTS ARE TO BE REFERRED TO METRO DISTRICT MANAGEMENT.
7. METRO DISTRICT HIRED CONTRACTORS WHO ARE REQUESTED BY INDIVIDUAL TENANTS TO PERFORM SERVICES FOR SAID TENANTS MUST SIGN AN AGREEMENT WITH THE TENANTS IN ADVANCE OF PERFORMING ANY WORK. THE AGREEMENT MUST CLEARLY STATE THAT THE CONTRACTOR IS PROVIDING THE SERVICES INDEPENDENT OF ITS ASSOCIATION WITH THE METRO DISTRICT AND INDEPENDENT OF LANDLORD. PRIOR TO PERFORMING ANY WORK FOR TOWN CENTER OR VALUE RETAIL TENANTS, CONTRACTOR MUST HAVE A VALID CERTIFICATE OF INSURANCE ON FILE WITH THE LANDLORD.
8. ANY VIOLATIONS OF THE FOREGOING ARE SUBJECT TO IMMEDIATE NOTICE OF CONTRACT TERMINATION BETWEEN THE METRO DISTRICT AND THE METRO DISTRICT HIRED CONTRACTOR.

EXHIBIT F

CONTRACTOR RULES AND REGULATIONS

RULES AND REGULATIONS

Contractor agrees as follows:

- 1) All loading and unloading of goods shall be done at such times, in the areas, and through the entrances designed for such purposes by Owner.
- 2) The delivery or shipping of merchandise, supplies, equipment and fixtures to and from the area of Work shall be subject to such rules and regulations as in the judgment of Owner are necessary for the proper operation of the Shopping Center.
- 3) All garbage and refuse shall be kept in the kind of container specified by Owner, and shall be disposed of in the manner and at the times and places specified by Owner. If Owner shall provide or designate a service for picking up refuse and garbage, Contractor shall use same at Contractor's cost. Contractor shall pay the cost of removal of any of Contractor's refuse or rubbish.
- 4) No radio or television or other similar device shall be installed without first obtaining, in each instance, Owner's consent in writing. No serial shall be erected on the roof, exterior walls of the Shopping Center or on the grounds without, in each instance, the written consent of Owner. Any serial so installed without such written consent shall be subject to removal without notice at any time.
- 5) No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner as to be heard or seen outside the area of Work without the prior written consent of Owner.
- 6) If the area of Work is equipped with heating facilities separate from those in the remainder of the Shopping Center, Contractor shall keep the area of Work at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.
- 7) The exterior areas immediately adjoining the area of Work shall be kept clean and free from dirt and rubbish by Contractor at the satisfaction of Owner, and Contractor shall not place or permit any obstructions, including but not limited to supplies, equipment and fixtures, in such areas.
- 8) Contractor and Contractor's employees shall park their cars only in those parking areas designated for that purpose by Owner. In the event that Contractor or it's employees fail to park their cars in designated parking areas as aforesaid, the Owner, at its option, shall charge Contractor _____ per day per car parked in any area other than those designated, as and for liquidated damage. Oversized trucks may park _____
No parking will be permitted in the loading zones at any time. Any vehicle found in violation of this policy is subject to being ticketed and/or towed at the owner's risk and expense.
- 9) The plumbing facilities shall not be used for any other purpose than for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from violation of this provision shall be paid by Contractor who shall, or whose employees, agents or invitees shall have caused it.
- 10) Contractor shall not burn any trash or garbage of any kind in or about the area of Work, the Shopping Center, or within one (1) mile of the outside property lines of the Shopping Center.
- 11) Contractor shall not make noises, cause disturbances, or create odors which may be offensive to other users or tenants of the Shopping Center or their officers, employees, agents, servants, customers or invitees when the Shopping Center is in operation.
- 12) All signage, if applicable, shall be done professionally. No handwritten signs shall be posted.
- 13) Contractor to provide written notification of employees staying late or arriving early to the Shopping Center.
- 14) Contractor must furnish proper evidence of required insurance coverage.
- 15) Contractor at its sole cost and expense, shall obtain, prior to the commencement of Work all building or other permits required by law to perform Work (if applicable).
- 16) Any and all Work or services to be performed in the common areas of the Shopping Center must be authorized by Owner and must begin after 10:00pm and conclude before 10:00am or as further determined by Owner from time to time. No equipment or materials may be moved across the common area of the Shopping Center when the Shopping Center is open to the public, without the express written consent of Owner.

DIVERSIFIED UNDERGROUND INC.

August 1, 2022

2nd Notice of Rate Increase

Dear Valued Customer,

In the past few years, Diversified Underground has seen ever-increasing costs for supplies, fuel, etc. that has affected the cost of providing service to our customers.

Diversified Underground has always operated under the idea that we will provide top quality level service at a very competitive price. In staying true to that, we have not increased the cost of our service even though the cost of supplies & labor has dramatically changed over the last few years.

As we continue to improve our service, operations, and support to our customers, we must also manage the industry wide cost increases on raw material, labor, insurance, and fuel.

Starting August 1st, 2022, we will be increasing our rates by 20% to cover our costs of service.

We understand that a price increase is not convenient, and we want to thank you for understanding that it is necessary for us to maintain the services we provide. We continue to invest in our company, employees, and resources to make every effort to be your preferred vendor.

We greatly appreciate your loyalty and look forward to many more years serving you.

If you have any questions or concerns, please don't hesitate to contact us.

Best Regards,



Mark Allen

General Manager



2300 Cavanaugh Road
Watkins CO, 80137

PHONE: (303) 636-9999
FAX: (303) 671-8728
WEB SITE: <http://www.diversifiedunderground.com>



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.