

# SOUTHLANDS METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
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Website: <https://southlandsmd1.colorado.gov/>

## **NOTICE OF SPECIAL MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Martin Liles	President	2022/May 2022
Joyce Rocha	Secretary	2023/May 2023
April Elliott	Treasurer	2022/May 2022
<b>VACANT</b>		2023/May 2022
<b>VACANT</b>		2022/May 2022

DATE: November 16, 2021  
TIME: 9:00 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 September 28, 2021 and October 26, 2021 Special Meetings (enclosures).  

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- D. Consider Regular Meeting dates for 2022 (suggested dates are February 15, April 19, June 14, August 16, October 18 and November 15, 2022 at 9:00 a.m.). Review and consider approval of Resolution No. 2021-11-\_\_\_; Annual Administrative Resolution (enclosure).  

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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 proposals from Keesen Landscape Management, Inc. for the Main Street Monument enhancements (enclosures).
  - Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2022 SDA Website).
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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 Oct. 31, 2021
General	\$ 157,437.86
Debt Service	\$ -0-
Capital Projects	\$ 144,441.00
<b>Total Claims</b>	<b>\$ 301,878.86</b>

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B. Review and accept unaudited financial statements for the period ending September 30, 2021 and accept Cash Position Schedule, dated September 30, 2021, updated October 29, 2021 and Operations Fee Report (enclosure).

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C. Consider engagement of Dazzio & Associates, PC for preparation of 2021 Audit, in the amount of \$5,800 (enclosure).

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D. Conduct Public Hearing to consider Amendment to 2021 Budget (if necessary) and consider adoption of Resolution to Amend the 2021 Budget and Appropriate Expenditures.

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E. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution to Adopt the 2022 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 AV, draft 2022 Budget, and Resolution).

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- F. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- G. Consider appointment of District Accountant to prepare the 2023 Budget, and set the date of the Budget Hearing for November 15, 2022 at 9:00 a.m.
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- H. Consider approval of a Master Service Agreement with CliftonLarsonAllen LLP (enclosure).
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V. LEGAL MATTERS

- A. Consider adoption of Resolution No. 2021-11-\_\_ ; Resolution Calling a Regular Election for Directors on May 3, 2022, 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 25, 2022. Discuss the need for ballot issues and/or questions.
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- B. Discuss and consider approval of a License Agreement with Southlands TC LLC and Southlands PC LLC for Charging Stations (enclosure).
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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 retaining wall repair work:
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- 1. Review and consider approval of proposal from Integrated Wall Solutions for additional blocks for the retaining wall repair work (enclosure).
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- 2. Discuss proposal from Collins Engineering concerning recommendations for drainage improvements (to be distributed).
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- C. Discuss status of asphalt repair work.

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- D. Discuss status of gas line project to be performed by Kinder Morgan, Inc.

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- E. Discuss winter watering and the cost of water containers.

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- F. Review and consider approval of proposal from Lumin8 Transportation Technologies for maintenance services on the traffic light (enclosures).

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- G. Review and consider approval of an Independent Contractor Agreement with CAM Services for street sweeping services (enclosure).

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- H. Review and consider approval of proposal from Keesen Landscape Management, Inc. for the conversion from turf to grass and cobble (enclosure).

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- I. Review proposal for 2021-2022 Playground Maintenance from Rocky Mountain Playground Services for quarterly “Low Frequency” inspections (enclosure).

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- J. Review and consider approval of an Independent Contractor Agreement between the District and Diversified Underground, Inc. for 2022 Utility Locate Services (enclosure).

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- K. Review and consider approval of an Independent Contractor Agreement for 2022 Tree Care Service (to be distributed).

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- L. Discuss and consider approval of an Independent Contractor Agreement for 2022 Security Services.

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- M. Discuss and consider approval of an Independent Contractor Agreement for 2022 Common Area Cleaning Services.

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N. Discuss and consider approval of an Independent Contractor Agreement for 2022 Property Management Services.

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O. Discuss and consider approval of an Independent Contractor Agreement for 2022 Property Maintenance Services.

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P. Discuss results of dead tree investigation.

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VII. CAPITAL IMPROVEMENTS

A. Discuss status of the Main Street Monument Project.

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1. Authorize final payment to Yesco, LLC.

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B. Discuss status of the Median Landscape Renovation Project.

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C. Discuss status of modification of the drive lane on Southlands Parkway.

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VIII. OTHER MATTERS

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IX. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2021.**

Additional Enclosures:

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

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD SEPTEMBER 28, 2021

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 28<sup>th</sup> day of September, 2021, at 10:00 a.m. at the Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016. The meeting was open to the public.

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### ATTENDANCE

#### Directors In Attendance Were:

Martin Liles  
Joyce Rocha  
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.

Lori Stein; M & J Wilkow (via conference call for a portion of the meeting)

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### 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.

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### ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed Agenda for the District’s Special Meeting.

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

## RECORD OF PROCEEDINGS

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**Minutes:** The Board reviewed the Minutes of the August 17, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Liles, seconded by Director Rocha and, upon vote, unanimously carried, the Minutes of the August 17, 2021 Special Meeting were approved, as presented.

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**PUBLIC COMMENTS** There were no public comments at this time.

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### **FINANCIAL MATTERS**

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

Fund	Period Ending August 31, 2021
General	\$ 134,919.93
Debt Service	\$ -0-
Capital Projects	\$ 198.00
<b>Total Claims</b>	<b>\$ 135,117.93</b>

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

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### **OPERATIONS AND MAINTENANCE** **Retaining Wall Repair Work:**

*Bids for Retaining Wall Repair Work:* Ms. Finn reviewed with the Board bids for retaining wall repair work. She noted Integrated Wall Solutions, LLC missed the bid opening. The Board determined to waive irregularities in bidding process and accept the bid.

*Award Contract for Retaining Wall Repair Work:* The Board entered into discussion regarding awarding the contract for the retaining wall repair work.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board awarded the contract to Integrated Wall Solutions, LLC for the retaining wall repair work, subject to checking references and costs for an extended warranty.

### **2022 Landscape Maintenance Services:**

*Bids for Landscape Maintenance Services:* Ms. Finn reviewed with the Board bids for 2022 landscape maintenance services.

## RECORD OF PROCEEDINGS

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Award Contract for Landscape Maintenance Services: The Board entered into discussion regarding awarding a contract for 2022 Landscape Maintenance Services.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board awarded the contract to Keesen Landscape Management Inc. for 2022 Landscape Maintenance Services.

### **2021-2022 Snow Removal Services:**

Bids for 2021-2022 Snow Removal Services: Ms. Finn reviewed with the Board bids for 2021-2022 snow removal services.

Award Contract for 2021-2022 Snow Removal Services: The Board entered into discussion regarding awarding the contract for the 2021-2022 snow removal services.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Elliott and, upon vote, unanimously carried, the Board awarded the contract to Consolidated Divisions Inc. d/b/a CDI Environmental Contractor for the 2021-2022 Snow Removal Services.

Ice Melt or Deicer: The Board entered into discussion regarding purchasing ice melt or deicer. The Board directed Ms. Finn to confirm the cost of ice melt or deicer if purchased from the contractor.

### **2022 Floral Program:**

Bids for 2022 Floral Program: Ms. Finn reviewed with the Board bids for the 2022 floral program.

Award Contract for 2022 Floral Program: The Board entered into discussion regarding awarding the contract for the 2022 floral program.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board awarded the contract to Keesen Landscape Management Inc. for the 2022 Floral Program.

**Proposal from SaveATree for Holiday Lighting:** The Board reviewed a proposal from SaveATree for holiday lighting.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the proposal from SaveATree for holiday lighting, in the amount of \$87,089. The

## RECORD OF PROCEEDINGS

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Board further authorized additional holiday lighting be installed on the street light poles along Prospect Avenue, subject to final review by Directors Liles and Rocha.

**Proposals from Deck the Malls, Inc. for Holiday Décor:** The Board reviewed proposals from Deck the Malls, Inc. for Holiday Décor. It was noted the décor will need to include the monuments on E-470.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the proposals from Deck the Malls, Inc. for holiday décor.

### **Metco Landscape, LLC:**

*Dead Trees and Warranty Issues:* Ms. Finn noted approximately 30 trees have died due to lack of watering. Metco Landscape, LLC requested the Board authorize the trees be tested to confirm the reason for the tree's deterioration. Following discussion, the Board authorized the engagement of an independent arborist to test the trees for any diseases.

*Possible Escrow Agreement:* The Board deferred discussion.

### **CAPITAL IMPROVEMENTS**

**Main Street Monument Project:** Director Liles reported to the Board the monument has been installed and will be programmed on September 29, 2021.

*Change Order No. 1 from Yesco LLC:* The Board reviewed Change Order No. 1 from Yesco LLC for additional demolition work.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved Change Order No. 1 from Yesco LLC, in the amount of \$8,655.

**Median Landscape Renovation Project:** Ms. Finn noted for the Board the design plans have been submitted to the City of Aurora for initial review.

Ms. Finn noted Ms. Dominguez recommended bidding the project after comments are received from the City of Aurora. She also recommended completing hardscape work during the winter and planting in spring. Director Liles noted he met with representatives from the Denver Botanic Gardens regarding the design plan and conducting workshop or educational classes at the shopping center.

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**Gas Line Project to be Performed by Kinder Morgan, Inc.:** Ms. Finn reported to the Board that Kinder Morgan, Inc. will be upgrading the gas line along South Aurora Parkway which will damage irrigation and plant material. Kinder Morgan, Inc. indicated they will repair any damage to District improvements caused by the project. The Board requested the current condition of the area where the pipeline will be repaired to be documented.

**Modification of Drive Lane on Southlands Parkway:**

*Proposal from Lumin8 Transportation Technologies for the Modifications at the Southlands Parkway Intersection:* The Board reviewed a proposal from Lumin8 Transportation Technologies for the modifications of the traffic lanes at the intersection of Main Street and Southlands Parkway.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the proposal from Lumin8 Transportation Technologies for the modifications of the traffic lanes. It was noted the project will need to be completed by November 15, 2021 or after the second week in January 2022.

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**OTHER MATTERS**

There were no other matters to discuss.

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**ADJOURNMENT**

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

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 26, 2021

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 26<sup>th</sup> day of October, 2021, at 9:30 a.m. at the Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016. The meeting was open to the public.

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### ATTENDANCE

#### Directors In Attendance Were:

Martin Liles  
Joyce Rocha  
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 and Adrian Gregorio; CliftonLarsonAllen, LLP

Lori Stein; M & J Wilkow (via conference call for a portion of the meeting)

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### 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.

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### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Finn distributed for the Board’s review and approval a proposed Agenda for the District’s Special Meeting.

## RECORD OF PROCEEDINGS

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

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**PUBLIC COMMENTS** There were no public comments at this time.

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**CONSENT AGENDA** The Board considered the following actions:

- Ratify approval of Independent Contractor Agreement between the District and Integrated Wall Solutions for the retaining wall repair work.

Ms. Finn noted for the Board the repair work is starting this week. Ms. Finn further presented a proposal for additional work in the amount of \$12,760 and a Change Order for \$5,000 to \$8,000 for costs associated with concrete testing and timing between pours.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement, including the additional work and change order between the District and Integrated Wall Solutions for the retaining wall repair work.

- Ratify approval of Independent Contractor Agreement between the District SavATree for holiday lighting, in the amount of \$87,089.

Ms. Finn noted for the Board that SavATree cannot perform additional holiday lighting on Prospect Avenue this season.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District SavATree for holiday lighting, in the amount of \$87,089.

- Ratify approval of Independent Contractor Agreement between the District and Vista Marketing Lighting LLC d/b/a Full Spectrum lighting, Inc. for Site Lighting Services.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Liles and, upon vote, unanimously carried, the

## RECORD OF PROCEEDINGS

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Board approved the Independent Contractor Agreement between the District and Vista Marketing Lighting LLC d/b/a Full Spectrum lighting, Inc. for Site Lighting Services.

- Ratify approval of proposal from Lumin8 Transportation Technologies for the modifications at the Southlands Parkway intersection.

Ms. Finn noted for the Board that she is working on scheduling the work.

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the proposal from Lumin8 Transportation Technologies for the modifications at the Southlands Parkway intersection.

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### FINANCIAL MATTERS

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

Fund	Period Ending Sept. 30, 2021
General	\$ 294,615.43
Debt Service	\$ -0-
Capital Projects	\$ 378.00
<b>Total Claims</b>	<b>\$ 294,993.43</b>

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

**Budget Work Session:** Ms. Dam reviewed with the Board the draft 2022 Budget. The Board entered into discussion regarding changes to the draft Budget.

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### LEGAL MATTERS

There were no legal matters.

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### OPERATIONS AND MAINTENANCE

**Special Events Permit from M&J Wilkow:** Director Rocha reported that she is finalizing the special events permit for 2022 and 2023.

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**Rules and Regulations Regarding Signage:** The Board entered into discussion regarding adopted Rules and Regulations regarding signage. Attorney Waldron noted that he will draft a Resolution for consideration at the next Board meeting.

**Maintenance Report (M & J Wilkow):**

*Status of Asphalt Repair Work:* Director Liles reported to the Board the asphalt repair work is expected to be complete by November 5, 2021.

**Maintenance Report (SDMS):**

*2022 Tree Care:*

*Bids:* Ms. Finn presented to the Board a proposal from SavATree for the 2022 tree care.

*Award Contract:* Following discussion, the Board directed staff to obtain a second proposal that includes a two-year warranty.

**2021-2022 Snow Removal Services:**

*Ice Melt or Ice Slicer:* The Board entered into discussion regarding purchasing ice melt and ice slicer for the upcoming snow season. Following discussion, the Board confirmed the District will purchase ice melt and CDI Environmental Contractor will purchase ice slicer.

**Metco Landscape, LLC:**

*Dead Trees, Warranty Issues and Test Results:* Ms. Finn noted she has not yet received the test results for the dead trees.

**Main Street Monument Landscaping:** The Board reviewed proposals from Keesen Landscape Management Inc. for landscape improvements for the Main Street Monument.

Following review, upon motion duly made by Director Liles seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the proposals from Keesen Landscape for tulip bulbs, in the amount of \$2,202.81 and winter décor, in the amount of \$7.500.

The Board further directed staff to research costs for water containers so the District can preform winter watering.

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## RECORD OF PROCEEDINGS

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**CAPITAL  
IMPROVEMENTS**

There were no capital improvement matters.  
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**OTHER MATTERS**

**Median Renovation Project:** The Board entered into discussion regard the Median Renovation Project.

Ms. Finn noted cost estimates for the exterior medians are approximately \$500,000 and for the interior medians are from \$130,000 to \$175,000. Director Liles noted he received recommendations from the Denver Botanic Gardens regarding the design plan. Following discussion, the Board directed Ms. Finn to discuss the recommendations with Ms. Lesanne Dominguez from the Architerra Group.  
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**ADJOURNMENT**

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

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**Resolution No. 2021-11-01**

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
ANNUAL ADMINISTRATIVE RESOLUTION  
(2022)**

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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 Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

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

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

4. The Board directs the District’s accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District Accountant to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31<sup>st</sup>, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31<sup>st</sup> in accordance with § 29-1-604, C.R.S.

6. The Board directs the District Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of

approval of the District, the District's audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

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

8. The Board directs the District's accountant to monitor expenditures and contracted expenditures and, if necessary, to notify the District Manager, legal counsel and the Board when expenditures or contracted expenditures are expected to exceed appropriated amounts, and directs the District Manager to prepare all budget amendment resolutions and directs the 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 1<sup>st</sup> 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 15<sup>th</sup>, 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:

President:	Kathy Barela
Treasurer:	Paulette Martin
Assistant Secretary:	Meredith Fish
Director:	Vacant
Director:	Vacant
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 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 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](http://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 East Orchard Road and East Applewood Drive 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 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 the third Tuesday of January, February, March, April, May, June, August, October, and November 2022, at 9:00 a.m. at 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 the District Manager/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, Ashley B. Frisbie 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 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 Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

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

29. The Board hereby directs the District Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: [www.colorado.gov/southlandsmid](http://www.colorado.gov/southlandsmid)

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

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 30 days of any such conveyance.

32. 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.

33. 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 this 16<sup>th</sup> day of November, 2021.

**SOUTHLANDS METROPOLITAN  
DISTRICT NO. 1**

By: \_\_\_\_\_  
Officer of the District

Attest:

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

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

**CERTIFICATION OF RESOLUTION**

I hereby certify that the foregoing constitutes a true and correct copy of the resolution of the Board adopted at a meeting held on November 16, 2021, via teleconference.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16<sup>th</sup> day of November, 2021.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name



October 18, 2021

WORK ORDER #79562

**PROPOSAL FOR**

Southlands Mall Metro  
 E. Commons Ave. & S. Aurora Parkway  
 Aurora, CO 80016

Thank you for allowing us to provide you a quote to perform the work we discussed. We will work out a schedule with you to complete the work once you sign and return this proposal. You may send it via email to [service@keesenlandscape.com](mailto:service@keesenlandscape.com) or fax it to (303) 761-3466. While we do not anticipate any changes to the total cost, Keesen Landscape Management, Inc. does reserve the right to review any proposal that is over 30 days old.

**DESCRIPTION OF WORK TO BE PERFORMED**

Main Street Sign Bulbs & Mulch

<b>Sale</b>	\$2,202.81
<b>Sales Tax</b>	\$0.00
<b>Total</b>	<b>\$2,202.81</b>

**SOUTHLANDS MALL METRO  
 WORK ORDER SUMMARY**

<b>INCLUDED SERVICES</b>	<b>SALES TAX</b>	<b>TOTAL COST</b>
Tulip Bulbs	\$0.00	\$2,202.81
Plant bulbs in front of new sign and small section on back sides:		
RED (curb)		
Yellow		
Purple (near the sign)		
	<b>\$0.00</b>	<b>\$2,202.81</b>

**Note: Unless otherwise specified, supplemental watering is not included in this proposal. If additional watering is necessary to protect plant material warranty, a separate proposal will be submitted.**

**Note: New plant material will be covered by a 1 year/1 replacement warrant. This does not cover any plant material not connected to working irrigation, owner negligence or circumstances beyond our control including freeze and rodent damage. This includes trees, shrubs and perennial plant material only.**

**Force Majeure and Delays**

**Landscape Contractor’s installation and warranty obligations under this work order are accepted subject to strikes, labor troubles (including strikes or labor troubles affecting any suppliers of Landscape Contractor), floods, fires, acts of God, accidents, delays, shortages of equipment, contingencies of transportation, and other causes of like or different character beyond the control of the Landscape Contractor. Impossibility of performance by reason of any legislative, executive, or judicial act of any government authority shall excuse performance of or delay in performance of this work order.**

By  \_\_\_\_\_  
Stephanie Sisler

By \_\_\_\_\_

Date 10/18/2021 \_\_\_\_\_

Date \_\_\_\_\_

**Keesen Landscape Management,  
Inc.**

**SOUTHLANDS MALL METRO**

**Note: Unless otherwise specified in the work order, all required irrigation repairs/modifications will be done at a time and materials rate of \$70.00 per man hour.**

Southlands Metropolitan District No. 1  
October-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Allied Universal	11819102	9/30/2021	9/30/2021	\$ 6,136.00	Security	117806
Animal & Pest Control Specialist, Inc.	77029	7/22/2021	7/22/2021	\$ 1,110.00	Pest control	107803
Animal & Pest Control Specialist, Inc.	77031	7/22/2021	7/22/2021	\$ 468.00	Pest control	107803
Aurora Media Group	101035	9/1/2021	10/1/2021	\$ 85.15	Retaining wall repairs/replace caps	117593
Brody Chemical	#INV02456	9/28/2021	10/28/2021	\$ 104.99	Repairs and maintenance	117582
CAM Services	M10012352	10/1/2021	10/31/2021	\$ 1,905.00	Property maintenance	107804
City of Aurora	150518 9-21	10/12/2021	11/1/2021	\$ 205.04	Utilities	117701
City of Aurora	146452 9-21	10/12/2021	11/1/2021	\$ 1,681.92	Utilities	117701
City of Aurora	151228 9-21	10/12/2021	11/1/2021	\$ 644.85	Utilities	117701
City of Aurora	146368 9-21	10/12/2021	11/1/2021	\$ 1,105.12	Utilities	117701
City of Aurora	152426 9-21	10/12/2021	11/1/2021	\$ 2,345.67	Utilities	117701
City of Aurora	151226 9-21	10/12/2021	11/1/2021	\$ 594.38	Utilities	117701
City of Aurora	142090 9-21	10/12/2021	11/1/2021	\$ 1,616.11	Utilities	117701
City of Aurora	146396 9-21	10/12/2021	10/12/2021	\$ 162.95	Utilities	117701
City of Aurora	15123 09-21	10/12/2021	11/1/2021	\$ 1,008.83	Utilities	117701
CliftonLarsonAllen LLP	3001045	8/31/2021	8/31/2021	\$ 5,313.28	Accounting	107000
Colorado Special Districts Property and Liability Pool	POL-0006667-1	10/5/2021	10/5/2021	\$ 85.00	Insurance and bonds	107360
Colorado Special Districts Property and Liability Pool	POL-0007438	9/8/2021	9/8/2021	\$ 450.00	Prepaid Insurance	101255
Colorado Tree Consultants	021-2021	10/12/2021	10/12/2021	\$ 150.00	Repairs and maintenance	107582
DBC Irrigation Supply	54358883.001	9/24/2021	10/24/2021	\$ 44.62	Landscape maintenance & irrigation repair	117585
DBC Irrigation Supply	54324810.001	9/21/2021	10/21/2021	\$ 1,411.43	Landscape maintenance & irrigation repair	117585
DBC Irrigation Supply	54347057.001	9/15/2021	10/15/2021	\$ 2,444.93	Landscape maintenance & irrigation repair	117585
DBC Irrigation Supply	54367646.001	9/30/2021	9/30/2021	\$ 14.93	Landscape maintenance & irrigation repair	117585
Deck The Malls Inc.	21-0125	10/15/2021	10/15/2021	\$ 900.00	Signage and decor	117587
Diversified Underground, Inc	24553	9/30/2021	10/30/2021	\$ 525.00	Repairs and maintenance	117582
Full Spectrum Lighting, Inc	2111567	9/17/2021	9/17/2021	\$ 4,465.00	Street lighting/ striping	117855
Keesen Landscape Management, Inc.	173223	10/6/2021	11/5/2021	\$ 3,181.20	Landscape maintenance & irrigation repair	107585
M & J Wilkow Properties, LLC	25724	10/1/2021	10/1/2021	\$ 9,616.33	Property maintenance	117804
Metco Landscape, Inc	SM210092	10/1/2021	10/1/2021	\$ 13,047.00	Landscape maintenance & irrigation repair	117585
Metco Landscape, Inc	5695769	8/30/2021	9/29/2021	\$ 650.00	Landscape maintenance & irrigation repair	117585
Metco Landscape, Inc	SM208879	9/1/2021	9/1/2021	\$ 13,047.00	Landscape maintenance & irrigation repair	117585
Millard Mall Services	81010	10/4/2021	11/3/2021	\$ 18,860.63	Monthly cleaning	117802
Rocky Mountain Flag Company	17378	8/4/2021	9/3/2021	\$ 628.82	Repairs and maintenance	117582
Special District Management Services, Inc.	09/2021 DM	9/30/2021	9/30/2021	\$ 108.00	Retaining wall repairs/replace caps	117593
Special District Management Services, Inc.	09/2021 DM	9/30/2021	9/30/2021	\$ 90.00	Medians	307863
Special District Management Services, Inc.	09/2021 DM	9/30/2021	9/30/2021	\$ 5,953.99	District management	107440
Special District Management Services, Inc.	09/2021 PM	9/30/2021	9/30/2021	\$ 3,003.40	Property management	117805
Utility Notification Center of Colorado	221091381	9/30/2021	9/30/2021	\$ 15.84	Repairs and maintenance	117582
Western Proscapes	54768	9/1/2021	10/31/2021	\$ 35,250.00	Floral	117801
White, Bear & Ankele PC	17234	7/31/2021	7/31/2021	\$ 1,086.51	Legal services	107460
White, Bear & Ankele PC	17721	8/31/2021	8/31/2021	\$ 4,563.86	Legal services	107460
White, Bear & Ankele PC	18485	9/30/2021	9/30/2021	\$ 2,559.43	Legal services	107460
Xcel Energy	748014091	9/14/2021	10/4/2021	\$ 3,507.51	Utilities	117701
Xcel Energy	752008019	10/13/2021	11/2/2021	\$ 3,656.89	Utilities	117701
Xcel Energy	744212481	8/16/2021	9/3/2021	\$ 3,723.25	Utilities	117701
Yesco	1	9/15/2021	9/16/2021	\$ (16,039.00)	Retainage Payable	302501
Yesco	1	9/15/2021	9/16/2021	\$ 160,390.00	Monument	307861

\$ 301,878.86

**Southlands Metropolitan District No. 1**  
**October-21**

	<b>General</b>	<b>Debt</b>	<b>Capital</b>	<b>Totals</b>
<b>Disbursements</b>	<b>\$ 137,185.34</b>		<b>\$ 144,441.00</b>	<b>\$ 281,626.34</b>
<b>Xcel - Auto Pay</b>	<b>\$ 10,887.65</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,887.65</b>
<b>Aurora Water - Auto Pay</b>	<b>\$ 9,364.87</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,364.87</b>
<b>Total Disbursements from Checking Acct</b>	<b>\$ 157,437.86</b>	<b>\$ -</b>	<b>\$ 144,441.00</b>	<b>\$ 301,878.86</b>

**SOUTHLANDS METROPOLITAN DISTRICT NO.1**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**SOUTHLANDS METROPOLITAN DISTRICT NO.1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	<u>General</u>	<u>General Operations Fee</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>					
Cash - Checking	\$ 28,294	\$ 129,836	\$ -	\$ -	\$ 158,130
Colotrust	1,166,487	870,741	33,756	-	2,070,984
UMB Series 2017 A-1 Bond Fund	-	-	1,952,586	-	1,952,586
UMB Series 2017 A-2 Bond Fund	-	-	305,532	-	305,532
UMB Series 2017 A-1 Reserve Fund	-	-	1,687,639	-	1,687,639
UMB Series 2017 A-2 Reserve Fund	-	-	149,761	-	149,761
General Operations Fee receivable	-	156,609	-	-	156,609
Receivable from County Treasurer	3,440	-	19,443	-	22,883
Prepaid insurance	450	-	-	-	450
<b>TOTAL ASSETS</b>	<u>\$ 1,198,671</u>	<u>\$ 1,157,186</u>	<u>\$ 4,148,717</u>	<u>\$ -</u>	<u>\$ 6,504,574</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 26,580	\$ 219,861	\$ -	\$ 144,819	\$ 391,260
Retainage payable	-	-	-	16,039	16,039
Unearned General Operations Fee	-	2,450	-	-	2,450
Total Liabilities	<u>26,580</u>	<u>222,311</u>	<u>-</u>	<u>160,858</u>	<u>409,749</u>
<b>FUND BALANCES</b>					
Total Fund Balances	<u>1,172,091</u>	<u>934,875</u>	<u>4,148,717</u>	<u>(160,858)</u>	<u>6,094,825</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,198,671</u>	<u>\$ 1,157,186</u>	<u>\$ 4,148,717</u>	<u>\$ -</u>	<u>\$ 6,504,574</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, 2021**

**GENERAL FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest income	\$ 5,000	\$ 571	\$ (4,429)
Permits and fees	-	6,150	6,150
Property taxes	492,519	490,026	(2,493)
Specific ownership tax	34,475	25,686	(8,789)
<b>TOTAL REVENUES</b>	<u>531,994</u>	<u>522,433</u>	<u>(9,561)</u>
<b>EXPENDITURES</b>			
Accounting	63,000	36,530	26,470
Auditing	6,000	5,800	200
Billing services	12,000	7,814	4,186
Contingency	8,612	-	8,612
County Treasurer's fee	7,388	7,353	35
Directors' fees	6,000	2,300	3,700
District management	70,000	46,898	23,102
Dues and licenses	2,000	1,238	762
Insurance and bonds	38,000	38,918	(918)
Legal services	65,000	31,855	33,145
Miscellaneous	5,000	2,387	2,613
Public Events	45,000	21,000	24,000
<b>TOTAL EXPENDITURES</b>	<u>328,000</u>	<u>202,093</u>	<u>125,907</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	203,994	320,340	116,346
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other fund	(460,000)	(19,521)	440,479
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(460,000)</u>	<u>(19,521)</u>	<u>440,479</u>
<b>NET CHANGE IN FUND BALANCES</b>	(256,006)	300,819	556,825
<b>FUND BALANCES - BEGINNING</b>	<u>841,758</u>	<u>871,273</u>	<u>29,515</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 585,752</u>	<u>\$ 1,172,092</u>	<u>\$ 586,340</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, 2021**

**GENERAL OPERATIONS FEE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
General operations fee	\$ 2,010,000	\$ 1,507,500	\$ (502,500)
General operations fee - penalty and other	5,000	1,503	(3,497)
Interest income	5,000	507	(4,493)
<b>TOTAL REVENUES</b>	<u>2,020,000</u>	<u>1,509,510</u>	<u>(510,490)</u>
<b>EXPENDITURES</b>			
Floral	250,000	141,000	109,000
Landscape maintenance & irrigation repair	170,000	268,064	(98,064)
Monthly cleaning	187,000	155,049	31,951
Pest control	10,000	3,978	6,022
Property maintenance	116,000	86,544	29,456
Property management	45,000	27,529	17,471
Repairs and maintenance	335,000	34,283	300,717
Security	70,000	46,915	23,085
Signage and decor	105,000	21,972	83,028
Snow removal	400,000	241,272	158,728
Street lighting/ striping	100,000	28,082	71,918
Street repairs/sidewalk	42,000	-	42,000
Street sweeping	25,000	17,145	7,855
Traffic signals maintenance	5,000	12,925	(7,925)
Utilities	160,000	139,878	20,122
<b>TOTAL EXPENDITURES</b>	<u>2,020,000</u>	<u>1,224,636</u>	<u>795,364</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	284,874	284,874
<b>FUND BALANCES - BEGINNING</b>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 650,000</u>	<u>\$ 934,874</u>	<u>\$ 284,874</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, 2021**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest income	\$ 10,000	\$ 1,209	\$ (8,791)
Property taxes	2,794,526	2,780,908	(13,618)
Specific ownership tax	195,600	145,741	(49,859)
<b>TOTAL REVENUES</b>	<u>3,000,126</u>	<u>2,927,858</u>	<u>(72,268)</u>
<b>EXPENDITURES</b>			
Bond interest - Series 2017 A-1	2,088,950	1,044,475	1,044,475
Bond interest - Series 2017 A-2	184,625	92,313	92,312
Bond principal - Series 2017 A-1	525,000	-	525,000
Bond principal - Series 2017 A-2	45,000	-	45,000
Contingency	8,507	-	8,507
County Treasurer's fee	41,918	41,728	190
Paying agent fees	6,000	6,000	-
<b>TOTAL EXPENDITURES</b>	<u>2,900,000</u>	<u>1,184,516</u>	<u>1,715,484</u>
<b>NET CHANGE IN FUND BALANCES</b>	100,126	1,743,342	1,643,216
<b>FUND BALANCES - BEGINNING</b>	<u>2,524,903</u>	<u>2,405,375</u>	<u>(119,528)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,625,029</u>	<u>\$ 4,148,717</u>	<u>\$ 1,523,688</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 REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Medians	300,000	11,069	288,931
Monument	160,000	169,310	(9,310)
<b>TOTAL EXPENDITURES</b>	<u>460,000</u>	<u>180,379</u>	<u>279,621</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(460,000)	(180,379)	279,621
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	460,000	19,521	(440,479)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>460,000</u>	<u>19,521</u>	<u>(440,479)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(160,858)	(160,858)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ (160,858)</u>	<u>\$ (160,858)</u>

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
2021 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**  
**2021 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.

**Net 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**  
**2021 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  
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>
2021	\$ 525,000	\$ 2,088,950	\$ 2,613,950
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>\$ 43,305,000</u>	<u>\$ 39,178,750</u>	<u>\$ 82,483,750</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>
2021	\$ 45,000	\$ 184,625	\$ 229,625
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>\$ 3,825,000</u>	<u>\$ 3,464,525</u>	<u>\$ 7,289,525</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>
2021	\$ 570,000	\$ 2,273,575	\$ 2,843,575
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>\$ 47,130,000</u>	<u>\$ 42,643,275</u>	<u>\$ 89,773,275</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  
2021 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 2021, 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 # 1**  
**Schedule of Cash Position**  
**September 30, 2021**  
**Updated as of October 29, 2021**

	<u>General Fund</u>	<u>Operations Fee Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b><u>FirstBank - Checking Account</u></b>					
Balance as of 09/30/21	\$ 28,294.47	\$ 129,835.83	\$ -	\$ -	\$ 158,130.30
Subsequent activities:					
October GOF Deposit	-	177,058.17	-	-	177,058.17
10/05/21 - Aurora Water, EFT	-	(29,150.73)	-	-	(29,150.73)
10/05/21 - Xcel, EFT	-	(3,507.51)	-	-	(3,507.51)
10/06/21 - Transfer from CT	50,000.00	50,000.00	-	-	100,000.00
10/12/21 - Transfer from GF to CPF	(378.00)	-	-	378.00	-
10/12/21 - Vouchers payable	(11,312.11)	(80,649.69)	-	(378.00)	(92,339.80)
10/29/21 - Directors fees	(322.95)	-	-	-	(322.95)
Anticipated Aurora Water, EFT	-	(9,364.87)	-	-	(9,364.87)
Anticipated Xcel, EFT	-	(3,656.89)	-	-	(3,656.89)
Anticipated Transfer from CT	150,000.00	-	-	-	150,000.00
Anticipated Transfer from GF to CPF	(144,441.00)	-	-	144,441.00	-
Anticipated Vouchers payable	(23,343.27)	(113,842.07)	-	(144,441.00)	(281,626.34)
<i>Anticipated Balance</i>	<u>48,497.14</u>	<u>116,722.24</u>	<u>-</u>	<u>-</u>	<u>165,219.38</u>
<b><u>Colotrust</u></b>					
Balance as of 09/30/21	1,166,486.54	870,740.59	33,755.72	-	2,070,982.85
Subsequent activities:					
10/06/21 - Transfer to 1st Bank	(50,000.00)	(50,000.00)	-	-	(100,000.00)
10/06/21 - Transfer to A-1 Bond Fund	-	-	(30,484.69)	-	(30,484.69)
10/06/21 - Transfer to A-2 Bond Fund	-	-	(3,271.03)	-	(3,271.03)
10/10/21 - Tax distribution	3,439.93	-	19,442.78	-	22,882.71
10/29/21 - Transfer to A-1 Bond Fund	-	-	(17,590.51)	-	(17,590.51)
10/29/21 - Transfer to A-2 Bond Fund	-	-	(1,852.27)	-	(1,852.27)
Anticipated Transfer to 1st Bank	(150,000.00)	-	-	-	(150,000.00)
<i>Anticipated Balance</i>	<u>969,926.47</u>	<u>820,740.59</u>	<u>-</u>	<u>-</u>	<u>1,790,667.06</u>
<b><u>UMB - 2017 A-1 Bond Fund</u></b>					
Balance as of 09/30/21	-	-	1,952,585.80	-	1,952,585.80
Subsequent activities:					
10/06/21 - Transfer from CT	-	-	30,484.69	-	30,484.69
10/29/21 - Transfer from CT	-	-	17,590.51	-	17,590.51
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>2,000,661.00</u>	<u>-</u>	<u>2,000,661.00</u>
<b><u>UMB - 2017 A-1 Reserve Fund</u></b>					
Balance as of 09/30/21	-	-	1,687,639.26	-	1,687,639.26
Subsequent activities: None					
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,687,639.26</u>	<u>-</u>	<u>1,687,639.26</u>
<b><u>UMB - 2017 A-2 Bond Fund</u></b>					
Balance as of 09/30/21	-	-	305,531.63	-	305,531.63
Subsequent activities:					
10/06/21 - Transfer from CT	-	-	3,271.03	-	3,271.03
10/29/21 - Transfer from CT	-	-	1,852.27	-	1,852.27
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>310,654.93</u>	<u>-</u>	<u>310,654.93</u>
<b><u>UMB - 2017 A-2 Reserve Fund</u></b>					
Balance as of 09/30/21	-	-	149,761.00	-	149,761.00
Subsequent activities: None					
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>149,761.00</u>	<u>-</u>	<u>149,761.00</u>
<b><i>Anticipated Balances</i></b>	<b><u>\$ 1,018,423.61</u></b>	<b><u>\$ 937,462.83</u></b>	<b><u>\$ 4,148,716.19</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,104,602.63</u></b>

**Current Yield - 09/31/21**

Colotrust - 0.0182%  
UMB (Invested in Fidelity money market) - 0.01%

**SOUTHLANDS METROPOLITAN DISTRICT #1**  
**Property Tax Reconciliation Schedule**  
**2021**

	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	\$ 786.34	\$ -	\$ 20,739.68	\$ 13.96	\$ (12.00)	\$ -	\$ 21,527.98	0.02%	0.02%	\$ 20,844.38	0.00%	0.00%
February	279,861.91	-	15,418.65	-	(4,197.93)	-	291,082.63	8.51%	8.54%	568,875.86	15.99%	15.99%
March	1,197,000.08	-	21,944.94	128.44	(17,956.93)	-	1,201,116.53	36.42%	44.95%	294,983.20	8.06%	24.05%
April	380,871.65	-	18,482.21	-	(5,713.08)	-	393,640.78	11.59%	56.54%	1,080,430.96	31.20%	55.25%
May	879,209.71	-	16,750.07	29.31	(13,188.59)	-	882,800.50	26.75%	83.29%	196,278.46	5.23%	60.47%
June	508,112.48	-	19,123.62	70.15	(7,622.74)	-	519,683.51	15.46%	98.75%	1,212,819.67	34.77%	95.25%
July	1,702.47	-	20,218.52	(24.25)	(25.17)	-	21,871.57	0.05%	98.80%	0.00	-2.13%	93.11%
August	21,151.55	-	18,153.64	855.42	(330.11)	-	39,830.50	0.64%	99.44%	0.00	0.32%	93.43%
September	2,236.84	-	20,595.38	85.32	(34.83)	-	22,882.71	0.07%	99.51%	2,866.03	0.01%	93.44%
October								0.00%	99.51%	25,332.43	0.00%	93.44%
November								0.00%	99.51%	21,117.10	0.06%	93.49%
December								0.00%	99.51%	18,356.87	0.04%	93.53%
	<b>\$ 3,270,933.03</b>	<b>\$ -</b>	<b>\$ 171,426.71</b>	<b>\$ 1,158.35</b>	<b>\$ (49,081.38)</b>	<b>\$ -</b>	<b>\$ 3,394,436.71</b>	<b>99.51%</b>	<b>99.51%</b>	<b>\$ 3,441,904.96</b>	<b>93.53%</b>	<b>93.53%</b>

	Taxes Levied	% of Levied	Property Tax Collected	% Collected to Amt. Levied
<b>Property Tax</b>				
General Fund	\$ 492,519	15.48%	\$ 490,025.52	99.49%
Debt Service (2017 A-1)	2,424,709	76.19%	2,412,433.38	99.49%
Debt Service (2017 A-2)	265,203	8.33%	263,860.33	99.49%
Debt Only (2017 A-1)	104,614	100.00%	104,613.80	100.00%
	<u>\$ 3,287,045</u>		<u>\$ 3,270,933.03</u>	<u>99.51%</u>
<b>Specific Ownership Tax</b>				
General Fund	\$ 34,475	15.48%	\$ 25,685.96	74.50%
Debt Service (2017 A-1)	169,730	76.19%	126,453.96	74.50%
Debt Service (2017 A-2)	18,560	8.33%	13,830.94	74.50%
Debt Only (2017 A-1)	7,310	100.00%	5,455.85	74.60%
	<u>\$ 230,075</u>		<u>\$ 171,426.71</u>	<u>74.51%</u>
<b>Treasurer's Fees</b>				
General Fund	\$ (7,388)	15.48%	\$ (7,353.06)	99.50%
Debt Service (2017 A-1)	(38,084)	76.19%	(36,199.72)	95.10%
Debt Service (2017 A-2)	(4,165)	8.33%	(3,959.36)	95.10%
Debt Only (2017 A-1)	(1,545)	100.00%	(1,569.24)	101.60%
	<u>\$ (51,182)</u>		<u>\$ (49,081.38)</u>	<u>95.90%</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.

Billing Name		Sq. ft Percentage of Total	2021 Budgeted Monthly Billing	January	February	March	April	May	June	July	August	September	October	November	December
TJ Max/ Michaels/ Mens Warehouse/ Agree LP	355,168	5.01%	\$ 8,397.72	\$ 8,397.72	\$ 8,397.72	\$ 8,397.72	8,397.72	8,397.72	8,397.72	8,397.72	8,397.72	8,397.72			
T-Mobile/ Cleaners/ AKAL Realty	54,060	0.76%	\$ 1,278.21	1,278.21	1,278.21	1,278.21	1,278.21	1,278.21	1,278.21	1,278.21	1,278.21	1,278.21			
Centura Health	87,445	1.23%	\$ 2,067.58	2,067.58	2,067.58	2,067.58	2,067.58	2,067.58	2,067.58	2,067.58	2,067.58	2,067.58			
Centura Health (Lot 4 - new)	44,612	0.63%	\$ 1,054.82	1,054.82	1,054.82	1,054.82	1,054.82	1,054.82	1,054.82	1,054.82	1,054.82	1,054.82			
Centura Health (Lot 5 - new)	39,868	0.56%	\$ 942.65	942.65	942.65	942.65	942.65	942.65	942.65	942.65	942.65	942.65			
Chili's	89,142	1.26%	\$ 2,107.71	2,107.71	2,107.71	2,107.71	2,107.71	2,107.71	2,107.71	2,107.71	2,107.71	2,107.71			
Discount Tire	38,465	0.54%	\$ 909.48	909.48	909.48	909.48	909.48	909.48	909.48	909.48	909.48	909.48			
Fitzsimons Credit Union	46,533	0.66%	\$ 1,100.24	1,100.24	1,100.24	1,100.24	1,100.24	1,100.24	1,100.24	1,100.24	1,100.24	1,100.24			
GMRI - Olive Garden/Darden	79,836	1.13%	\$ 1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	1,887.67	512.07	
GMRI - Red Lobster/Darden	77,186	1.09%	\$ 1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,825.01	1,731.27		
Good Times	54,758	0.77%	\$ 1,294.72	1,294.72	1,294.72	1,294.72	1,294.72	1,294.72	1,294.72	1,294.72	1,294.72	1,294.72			
HV-1	70,453	0.99%	\$ 1,665.82	1,665.82	1,665.82	1,665.82	1,665.82	1,665.82	1,665.82	1,665.82	1,665.82	1,665.82			
JC Penney	431,671	6.09%	\$ 10,206.58	10,206.58	10,206.58	10,206.58	10,206.58	10,206.58	10,206.58	10,206.58	10,206.58	10,206.58			
Jim N Nick's	68,453	0.97%	\$ 1,618.53	1,618.53	1,618.53	1,618.53	1,618.53	1,618.53	1,618.53	1,618.53	1,618.53	1,618.53			
Lazy Dog	24,096	0.34%	\$ 569.73	569.73	569.73	569.73	569.73	569.73	569.73	569.73	569.73	569.73			
Office Depot/ LEJ Properties	71,045	1.00%	\$ 1,679.81	1,679.81	1,679.81	1,679.81	1,679.81	1,679.81	1,679.81	1,679.81	1,679.81	1,679.81			
Jewelers/GNC/ Sprint/ LF-9	43,457	0.61%	\$ 1,027.51	1,027.51	1,027.51	1,027.51	1,027.51	1,027.51	1,027.51	1,027.51	1,027.51	1,027.51			
Mister Hot Shine	68,266	0.96%	\$ 1,614.11	1,614.11	1,614.11	1,614.11	1,614.11	1,614.11	1,614.11	1,614.11	1,614.11	1,614.11			
Mountain Del. LLC/ Colorado Del. LLC	58,738	0.83%	\$ 1,388.82	1,388.82	1,388.82	1,388.82	1,388.82	1,388.82	1,388.82	1,388.82	1,388.82	1,388.82			
NWSL Power Center, LLC/Southlands PC	1,358,624	19.18%	\$ 32,123.79	32,123.79	32,123.79	32,123.79	32,123.79	32,123.79	32,123.79	32,123.79	32,123.79	32,123.79			
NWSLTown Center, LLC/ Southlands TC	1,593,198	22.49%	\$ 37,670.14	37,670.14	37,670.14	37,670.14	37,670.14	37,670.14	37,670.14	37,670.14	37,670.14	37,670.14			
On The Border	85,900	1.21%	\$ 2,031.05	2,031.05	2,031.05	2,031.05	2,031.05	2,031.05	2,031.05	2,031.05	2,031.05	2,031.05			44.78
Dental/Five Guys/ Pacific Aurora LLC	71,800	1.01%	\$ 1,697.67	1,697.67	1,697.67	1,697.67	1,697.67	1,697.67	1,697.67	1,697.67	1,697.67	1,697.67			
PF Changs	76,567	1.08%	\$ 1,810.38	1,810.38	1,810.38	1,810.38	1,810.38	1,810.38	1,810.38	1,810.38	1,810.38	1,810.38			
Marriott/Safari	142,112	2.01%	\$ 3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	3,360.15	50.40		
Service Street Auto Repair/Spaco of CO	40,498	0.57%	\$ 957.55	957.55	957.55	957.55	957.55	957.55	957.55	957.55	957.55	957.55			
Village Inn	60,205	0.85%	\$ 1,423.51	1,423.51	1,423.51	1,423.51	1,423.51	1,423.51	1,423.51	1,423.51	1,423.51	1,423.51			
Vision Works/SLC	47,629	0.67%	\$ 1,126.16	1,126.16	1,126.16	1,126.16	1,126.16	1,126.16	1,126.16	1,126.16	1,126.16	1,126.16			
Wal-Mart	1,128,974	15.94%	\$ 26,693.86	26,693.86	26,693.86	26,693.86	26,693.86	26,693.86	26,693.86	26,693.86	26,693.86	26,693.86			
Wal-Mart/Sams Club	566,597	8.00%	\$ 13,396.82	13,396.82	13,396.82	13,396.82	13,396.82	13,396.82	13,396.82	13,396.82	13,396.82	13,396.82			
Wells Fargo	56,923	0.80%	\$ 1,345.91	1,345.91	1,345.91	1,345.91	1,345.91	1,345.91	1,345.91	1,345.91	1,345.91	1,345.91			
Wong 444, Inc./KFC/Harman	51,864	0.73%	\$ 1,226.29	1,226.29	1,226.29	1,226.29	1,226.29	1,226.29	1,226.29	1,226.29	1,226.29	1,226.29			
Monthly	7,084,143	100%	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 165,451.19	\$ 127,409.32	\$ 53,030.88	\$ 1,938.07	\$ 512.07	\$ -
Year-to-Date				\$ 167,500.00	\$ 335,000.00	\$ 502,500.00	\$ 670,000.00	\$ 837,500.00	\$ 1,005,000.00	\$ 1,170,451.19	\$ 1,297,860.51	\$ 1,350,891.39	\$ 1,352,829.46	\$ 1,353,341.53	\$ 1,353,341.53

	AR - 111050	Unearned Revenue - 113141
T-Mobile/ Cleaners/ AKAL Realty	1,278.21	GMRI - Olive Gar 2,399.74
GMRI - Red Lobster/Darden	93.74	Marriott/Safari 50.40
NWSL Power Center, LLC/Southlands PC	32,123.79	
NWSLTown Center, LLC/ Southlands TC	37,670.14	
On The Border	1,986.27	
Wal-Mart	54,452.42	
Wal-Mart/Sams Club	27,777.75	
Wong 444, Inc./KFC/Harman	1,226.29	
	<u>\$ 156,608.61</u>	
Rounding		
<b>GOF Revenue</b>	<b>1,507,500.00</b>	

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.



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**Dazzio & Associates, PC**

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**Certified Public Accountants**

November 4, 2021

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, 2021.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, 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, 2021.

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 auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole 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, and they may bill you for responding to this inquiry.

#### **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.

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. 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with 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 \$5,800. 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 Southlands Metropolitan District No. 1'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 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,

*Daggio & Associates, P.C.*

**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

OFFICE OF THE ASSESSOR  
5334 S. Prince Street  
Littleton, CO 80120-1136  
Phone: 303-795-4600  
TDD: Relay-711  
Fax: 303-797-1295

<http://www.arapahoegov.com/assessor>  
[assessor@arapahoegov.com](mailto:assessor@arapahoegov.com)

August 25, 2021

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

**AUG 30 2021**

### CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2021 of:

\$77,760,244

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 25, 2021

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 2021:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	75,772,155
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	77,760,244
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	77,760,244
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.): ☐	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.	\$	62,002

‡ 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 &amp; 52A.

☐ 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 2021:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	248,367,735
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
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
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	323,454
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\*\* 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.

## IMPORTANT POINTS TO REMEMBER

Please use the "Certification of Tax Levies for Non-School Governments" form enclosed. Include a contact name and a daytime telephone number.

All taxing authorities are required to certify their levies to the Commissioners no later than December 15. Signed mill levies will be accepted via email, mail or FAX.

**Submitting your "Certification of Tax Levies for Non-School Governments" form by email is the best way to ensure the information is delivered directly to the Budget Division.**

Email forms to [financebudgeting@arapahoegov.com](mailto:financebudgeting@arapahoegov.com)

Mail: Board of County Commissioners  
**c/o Budget Division**  
5334 S. Prince St.  
Littleton, CO 80120

FAX: 303-738-7929  
**Attn: Budget Division**

Mill levies should be calculated to three decimal places.

*If the levy has been determined to equal zero, please certify a zero mill levy to eliminate any confusion.*

For questions concerning "Certification of Tax Levies for Non-School Governments," please contact our Budget Division by telephone at 303-795-4690 or via e-mail at [financebudgeting@arapahoegov.com](mailto:financebudgeting@arapahoegov.com) or visit our website at:

<https://www.arapahoegov.com/1186/>

For questions concerning certified taxable values, please contact:

Robin Molliconi  
Arapahoe County Assessor's Office  
5334 S. Prince St.  
Littleton, CO 80120  
Phone: 303-795-4608



PK Kaiser, MBA, MS

Assessor

OFFICE OF THE ASSESSOR

5334 S. Prince Street

Littleton, CO 80120-1136

Phone: 303-795-4600

TDD: Relay-711

Fax: 303-797-1295

<http://www.arapahoegov.com/assessor>

[assessor@arapahoegov.com](mailto:assessor@arapahoegov.com)

August 25, 2021

AUTH 4646 SOUTHLANDS MET DIS #1 BND  
C/O ANN E FINN  
141 UNION BLVD. SUITE 150  
LAKEWOOD CO 80228-1898

**AUG 3 11 2021**

Code # 4646

### CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2021 of:

\$3,101,819

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 25, 2021

**NAME OF TAX ENTITY:** SOUTHLANDS MET DIS #1 BND

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY</b>
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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 2021:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	3,269,181
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	3,101,819
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	3,101,819
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.): ☐	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.

☐ 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.

<b>USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY</b>
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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 2021:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	9,415,134
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
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
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	177
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\*\* 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.

## IMPORTANT POINTS TO REMEMBER

Please use the "Certification of Tax Levies for Non-School Governments" form enclosed. Include a contact name and a daytime telephone number.

All taxing authorities are required to certify their levies to the Commissioners no later than December 15. Signed mill levies will be accepted via email, mail or FAX.

**Submitting your "Certification of Tax Levies for Non-School Governments" form by email is the best way to ensure the information is delivered directly to the Budget Division.**

Email forms to [financebudgeting@arapahoegov.com](mailto:financebudgeting@arapahoegov.com)

Mail: Board of County Commissioners  
**c/o Budget Division**  
5334 S. Prince St.  
Littleton, CO 80120

FAX: 303-738-7929  
**Attn: Budget Division**

Mill levies should be calculated to three decimal places.

*If the levy has been determined to equal zero, please certify a zero mill levy to eliminate any confusion.*

For questions concerning "Certification of Tax Levies for Non-School Governments," please contact our Budget Division by telephone at 303-795-4690 or via e-mail at [financebudgeting@arapahoegov.com](mailto:financebudgeting@arapahoegov.com) or visit our website at:

<https://www.arapahoegov.com/1186/>

For questions concerning certified taxable values, please contact:

Robin Molliconi  
Arapahoe County Assessor's Office  
5334 S. Prince St.  
Littleton, CO 80120  
Phone: 303-795-4608

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**SOUTHLANDS METRO DISTRICT NO. 1  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 4,199,987	\$ 4,016,661	\$ 3,926,648	\$ 3,926,648	\$ 4,095,306
REVENUES					
Property taxes	3,250,199	3,287,045	3,270,934	3,287,045	3,365,189
Specific ownership tax	246,255	230,075	171,427	228,500	235,563
Interest income	19,733	20,000	2,287	2,000	2,200
General operations fee	1,754,955	2,010,000	1,507,500	1,931,160	2,207,000
Permits and fees	1,000	-	6,150	6,150	5,000
Reimbursed expenditures	4,300	-	-	-	-
General operations fee - penalty and other	7,870	5,000	1,503	2,000	2,000
Total revenues	<u>5,284,312</u>	<u>5,552,120</u>	<u>4,959,801</u>	<u>5,456,855</u>	<u>5,816,952</u>
TRANSFERS IN	<u>697,643</u>	<u>460,000</u>	<u>19,521</u>	<u>190,000</u>	<u>700,000</u>
Total funds available	<u>10,181,942</u>	<u>10,028,781</u>	<u>8,905,970</u>	<u>9,573,503</u>	<u>10,612,258</u>
EXPENDITURES					
General and administrative	271,758	328,000	202,093	272,844	320,000
Operations and maintenance	1,604,632	2,020,000	1,224,636	1,933,860	2,210,000
Debt service	2,891,629	2,900,000	1,184,516	2,891,493	2,955,000
Capital projects	789,632	460,000	180,379	190,000	700,000
Total expenditures	<u>5,557,651</u>	<u>5,708,000</u>	<u>2,791,624</u>	<u>5,288,197</u>	<u>6,185,000</u>
TRANSFERS OUT	<u>697,643</u>	<u>460,000</u>	<u>19,521</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,255,294</u>	<u>6,168,000</u>	<u>2,811,145</u>	<u>5,478,197</u>	<u>6,885,000</u>
ENDING FUND BALANCES	<u>\$ 3,926,648</u>	<u>\$ 3,860,781</u>	<u>\$ 6,094,825</u>	<u>\$ 4,095,306</u>	<u>\$ 3,727,258</u>
EMERGENCY RESERVE	\$ 17,100	\$ 16,000	\$ 15,700	\$ 16,100	\$ 16,400
GENERAL & ADMIN RESERVE	500,000	350,000	350,000	350,000	250,000
CAPITAL REPLACEMENT RESERVE	-	200,000	200,000	200,000	200,000
GOF RESERVE	650,000	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>\$ 3,304,475</u>	<u>\$ 3,353,375</u>	<u>\$ 3,353,075</u>	<u>\$ 3,353,475</u>	<u>\$ 3,253,775</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Commercial	\$ 78,922,263	\$ 74,707,402	\$ 74,707,402	\$ 74,707,402	\$ 76,697,462
State assessed	20	646,190	646,190	646,190	647,600
Vacant land	418,563	418,563	418,563	418,563	415,182
Certified Assessed Value	<u>\$ 79,340,846</u>	<u>\$ 75,772,155</u>	<u>\$ 75,772,155</u>	<u>\$ 75,772,155</u>	<u>\$ 77,760,244</u>
<b>MILL LEVY</b>					
General	7.000	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>42.500</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 555,386	\$ 492,519	\$ 492,519	\$ 492,519	\$ 505,442
Debt Service Fund - Series 2017 A-1	2,538,907	2,424,709	2,424,709	2,424,709	2,488,328
Debt Service Fund - Series 2017 A-2	277,693	265,203	265,203	265,203	272,161
Levied property taxes	3,371,986	3,182,431	3,182,431	3,182,431	3,265,931
Adjustments to actual/rounding	(150,704)	-	(16,111)	-	-
Refunds and abatements	(74,101)	-	-	-	-
Budgeted property taxes	<u>\$ 3,147,181</u>	<u>\$ 3,182,431</u>	<u>\$ 3,166,320</u>	<u>\$ 3,182,431</u>	<u>\$ 3,265,931</u>
<b>ASSESSED VALUATION</b>					
Commercial	\$ 2,999,470	\$ 2,999,470	\$ 2,999,470	\$ 2,999,470	\$ 2,730,234
State assessed	10	10	10	10	10
Vacant land	145	145	145	145	145
Personal property	219,696	269,556	269,556	269,556	371,430
Certified Assessed Value	<u>\$ 3,219,321</u>	<u>\$ 3,269,181</u>	<u>\$ 3,269,181</u>	<u>\$ 3,269,181</u>	<u>\$ 3,101,819</u>
<b>MILL LEVY</b>					
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>
<b>PROPERTY TAXES</b>					
Debt Service Fund - Series 2017 A-1	103,018	104,614	104,614	104,614	99,258
Certified Assessed Value	<u>\$ 103,018</u>	<u>\$ 104,614</u>	<u>\$ 104,614</u>	<u>\$ 104,614</u>	<u>\$ 99,258</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 518,359	\$ 492,519	\$ 490,026	\$ 492,519	\$ 505,442
Debt Service	2,731,840	2,794,526	2,780,908	2,794,526	2,859,747
	<u>\$ 3,250,199</u>	<u>\$ 3,287,045</u>	<u>\$ 3,270,934</u>	<u>\$ 3,287,045</u>	<u>\$ 3,365,189</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,273,040	\$ 841,758	\$ 871,273	\$ 871,273	\$ 941,998
REVENUES					
Property taxes	518,359	492,519	490,026	492,519	505,442
Specific ownership tax	39,357	34,475	25,686	34,200	35,381
Interest income	8,918	5,000	571	700	500
Permits and fees	1,000	-	6,150	6,150	5,000
Total revenues	<u>567,634</u>	<u>531,994</u>	<u>522,433</u>	<u>533,569</u>	<u>546,323</u>
Total funds available	<u>1,840,674</u>	<u>1,373,752</u>	<u>1,393,706</u>	<u>1,404,842</u>	<u>1,488,321</u>
EXPENDITURES					
General and administrative					
Accounting	54,011	63,000	36,530	50,000	57,000
Auditing	5,500	6,000	5,800	5,800	6,500
County Treasurer's fee	7,761	7,388	7,353	7,388	7,582
Directors' fees	5,600	6,000	2,300	3,500	4,000
Dues and licenses	1,650	2,000	1,238	1,238	2,000
Insurance and bonds	32,450	38,000	38,918	38,918	45,000
District management	69,047	70,000	46,898	62,000	68,000
Legal services	47,614	65,000	31,855	45,000	50,000
Miscellaneous	10,926	5,000	2,387	5,000	5,000
Billing services	10,765	12,000	7,814	12,000	13,000
Election expense	1,034	-	-	-	3,000
Public Events	25,400	45,000	21,000	42,000	50,000
Contingency	-	8,612	-	-	8,918
Total expenditures	<u>271,758</u>	<u>328,000</u>	<u>202,093</u>	<u>272,844</u>	<u>320,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>697,643</u>	<u>460,000</u>	<u>19,521</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>969,401</u>	<u>788,000</u>	<u>221,614</u>	<u>462,844</u>	<u>1,020,000</u>
ENDING FUND BALANCES	<u>\$ 871,273</u>	<u>\$ 585,752</u>	<u>\$ 1,172,092</u>	<u>\$ 941,998</u>	<u>\$ 468,321</u>
EMERGENCY RESERVE	\$ 17,100	\$ 16,000	\$ 15,700	\$ 16,100	\$ 16,400
GENERAL & ADMIN RESERVE	500,000	350,000	350,000	350,000	250,000
CAPITAL REPLACEMENT RESERVE	-	200,000	200,000	200,000	200,000
TOTAL RESERVE	<u>\$ 517,100</u>	<u>\$ 566,000</u>	<u>\$ 565,700</u>	<u>\$ 566,100</u>	<u>\$ 466,400</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1**  
**GENERAL OPERATIONS FEE FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 479,451	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
REVENUES					
Interest income	8,056	5,000	507	700	1,000
Reimbursed expenditures	4,300	-	-	-	-
General operations fee	1,754,955	2,010,000	1,507,500	1,931,160	2,207,000
General operations fee - penalty and other	7,870	5,000	1,503	2,000	2,000
Total revenues	<u>1,775,181</u>	<u>2,020,000</u>	<u>1,509,510</u>	<u>1,933,860</u>	<u>2,210,000</u>
Total funds available	<u>2,254,632</u>	<u>2,670,000</u>	<u>2,159,510</u>	<u>2,583,860</u>	<u>2,860,000</u>
EXPENDITURES					
Operations and maintenance					
Floral	224,485	250,000	141,000	165,000	190,000
Monthly cleaning	171,006	187,000	155,049	200,000	230,000
Pest control	-	10,000	3,978	10,000	10,000
Property maintenance	115,396	116,000	86,544	116,000	120,000
Landscape maintenance & irrigation repair	153,553	170,000	268,064	350,000	250,000
Property management	36,696	45,000	27,529	37,000	40,000
Repairs and maintenance	40,463	335,000	34,283	240,000	380,000
Security	59,084	70,000	46,915	65,000	75,000
Signage and decor	192,617	105,000	21,972	105,000	-
Signage	-	-	-	-	100,000
Holiday decor	-	-	-	-	115,000
Snow removal	236,824	400,000	241,272	350,000	350,000
Street lighting/ striping	92,218	100,000	28,082	50,000	75,000
Street repairs/sidewalk	84,632	42,000	-	38,000	45,000
Street sweeping	22,860	25,000	17,145	22,860	15,000
Traffic signals maintenance	-	5,000	12,925	15,000	35,000
Utilities	174,798	160,000	139,878	170,000	180,000
Total expenditures	<u>1,604,632</u>	<u>2,020,000</u>	<u>1,224,636</u>	<u>1,933,860</u>	<u>2,210,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,604,632</u>	<u>2,020,000</u>	<u>1,224,636</u>	<u>1,933,860</u>	<u>2,210,000</u>
ENDING FUND BALANCES	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 934,874</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>
GOF RESERVE	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>
TOTAL RESERVE	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1**  
**GENERAL OPERATIONS FEE FUND - REPAIRS AND MAINTENANCE**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/9/21

ESTIMATED	BUDGET
2021	2022

REPAIRS AND MAINTENANCE

Banners	\$	30,000	\$	15,000
Retaining wall repairs/replace caps		75,000		60,000
Tree replacement/removal/care		100,000		100,000
Fountains/chemicals		30,000		45,000
Contingency/other		-		50,000
Detention pond		-		15,000
Playground inspections/repairs		-		5,000
Locates		5,000		5,000
Irrigation system upgrade		-		85,000
<b>TOTAL</b>		<b>\$ 240,000</b>		<b>\$ 380,000</b>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,355,772	\$ 2,524,903	\$ 2,405,375	\$ 2,405,375	\$ 2,503,308
REVENUES					
Property taxes	2,731,840	2,794,526	2,780,908	2,794,526	2,859,747
Specific ownership tax	206,898	195,600	145,741	194,300	200,182
Interest income	2,494	10,000	1,209	600	700
Total revenues	<u>2,941,232</u>	<u>3,000,126</u>	<u>2,927,858</u>	<u>2,989,426</u>	<u>3,060,629</u>
Total funds available	<u>5,297,004</u>	<u>5,525,029</u>	<u>5,333,233</u>	<u>5,394,801</u>	<u>5,563,937</u>
EXPENDITURES					
Debt Service					
Bond interest - Series 2017 A-1	2,104,250	2,088,950	1,044,475	2,088,950	2,073,200
Bond interest - Series 2017 A-2	185,975	184,625	92,313	184,625	183,275
Bond principal - Series 2017 A-1	510,000	525,000	-	525,000	590,000
Bond principal - Series 2017 A-2	45,000	45,000	-	45,000	50,000
Contingency	-	8,507	-	-	9,629
County Treasurer's fee	40,904	41,918	41,728	41,918	42,896
Paying agent fees	5,500	6,000	6,000	6,000	6,000
Total expenditures	<u>2,891,629</u>	<u>2,900,000</u>	<u>1,184,516</u>	<u>2,891,493</u>	<u>2,955,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,891,629</u>	<u>2,900,000</u>	<u>1,184,516</u>	<u>2,891,493</u>	<u>2,955,000</u>
ENDING FUND BALANCES	<u>\$ 2,405,375</u>	<u>\$ 2,625,029</u>	<u>\$ 4,148,717</u>	<u>\$ 2,503,308</u>	<u>\$ 2,608,937</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>				

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

11/9/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 9/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 91,724	\$ -	\$ -	\$ -	\$ -
REVENUES					
Interest income	265	-	-	-	-
Total revenues	<u>265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS IN					
Transfers from other funds	<u>697,643</u>	<u>460,000</u>	<u>19,521</u>	<u>190,000</u>	<u>700,000</u>
Total funds available	<u>789,632</u>	<u>460,000</u>	<u>19,521</u>	<u>190,000</u>	<u>700,000</u>
EXPENDITURES					
Capital Projects					
Monument	-	160,000	169,310	170,000	-
HUB/Landscape	777,503	-	-	-	-
Medians	12,129	300,000	11,069	20,000	400,000
Signage	-	-	-	-	300,000
Total expenditures	<u>789,632</u>	<u>460,000</u>	<u>180,379</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>789,632</u>	<u>460,000</u>	<u>180,379</u>	<u>190,000</u>	<u>700,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (160,858)</u>	<u>\$ -</u>	<u>\$ -</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**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.

**Net 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 provided. See summary of significant assumptions.

**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>

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>
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>

No assurance provided. See summary of significant assumptions.

**RESOLUTION  
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

**(2022)**

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The Board of Directors of Southlands Metropolitan District No. 1 (the “**Board**”), City of Aurora, Colorado (the “**District**”) held a special meeting at 6155 South Main Street, Suite 260, Aurora, Colorado, on Wednesday, November 16, 2021, at the hour of 9:00 A.M.

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.

*[Remainder of Page Intentionally Left Blank.]*

NOTICE AS TO PROPOSED 2022 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized 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 on November 16, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final 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 2022. 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 2022 budget year, there is hereby levied a tax of \_\_\_\_\_.000 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 2022 budget year, there is hereby levied a tax of

\_\_\_\_.000 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 2022 budget year, there is hereby levied a tax of \_\_\_\_\_.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 \_\_\_\_\_.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. 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 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. 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 9. 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.

***[Remainder of page intentionally left blank.]***

ADOPTED THIS 16<sup>th</sup> DAY OF NOVEMBER, 2021.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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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 on Wednesday, November 16, 2021, at 6155 South Main Street, Suite 260, Aurora, Colorado as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 16<sup>th</sup> day of November, 2021.

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**SOUTHLANDS METRO DISTRICT NO. 1  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

10/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 4,199,987	\$ 4,016,661	\$ 3,926,648	\$ 3,926,648	\$ 4,092,056
REVENUES					
Property taxes	3,250,199	3,287,045	3,268,696	3,287,045	3,365,189
Specific ownership tax	246,255	230,075	150,831	228,500	235,563
Interest income	19,733	20,000	2,136	2,000	2,200
General operations fee	1,754,955	2,010,000	1,340,000	1,981,060	2,212,000
Permits and fees	1,000	-	3,000	3,000	5,000
Reimbursed expenditures	4,300	-	-	-	-
General operations fee - penalty and other	7,870	5,000	1,438	2,000	2,000
Total revenues	<u>5,284,312</u>	<u>5,552,120</u>	<u>4,766,101</u>	<u>5,503,605</u>	<u>5,821,952</u>
TRANSFERS IN	<u>697,643</u>	<u>460,000</u>	<u>19,323</u>	<u>190,000</u>	<u>700,000</u>
Total funds available	<u>10,181,942</u>	<u>10,028,781</u>	<u>8,712,072</u>	<u>9,620,253</u>	<u>10,614,008</u>
EXPENDITURES					
General and administrative	271,758	328,000	189,419	272,844	318,000
Operations and maintenance	1,604,632	2,020,000	1,109,014	1,983,860	2,215,000
Debt service	2,891,629	2,900,000	1,184,487	2,891,493	2,955,000
Capital projects	789,632	460,000	19,899	190,000	700,000
Total expenditures	<u>5,557,651</u>	<u>5,708,000</u>	<u>2,502,819</u>	<u>5,338,197</u>	<u>6,188,000</u>
TRANSFERS OUT	<u>697,643</u>	<u>460,000</u>	<u>19,323</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,255,294</u>	<u>6,168,000</u>	<u>2,522,142</u>	<u>5,528,197</u>	<u>6,888,000</u>
ENDING FUND BALANCES	<u>\$ 3,926,648</u>	<u>\$ 3,860,781</u>	<u>\$ 6,189,930</u>	<u>\$ 4,092,056</u>	<u>\$ 3,726,008</u>
EMERGENCY RESERVE	\$ 17,100	\$ 16,000	\$ 15,500	\$ 16,000	\$ 16,400
GENERAL & ADMIN RESERVE	500,000	350,000	350,000	350,000	250,000
CAPITAL REPLACEMENT RESERVE	-	200,000	200,000	200,000	200,000
GOF RESERVE	650,000	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>\$ 3,304,475</u>	<u>\$ 3,353,375</u>	<u>\$ 3,352,875</u>	<u>\$ 3,353,375</u>	<u>\$ 3,253,775</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

10/28/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>					
Commercial	\$ 78,922,263	\$ 74,707,402	\$ 74,707,402	\$ 74,707,402	\$ 76,697,462
State assessed	20	646,190	646,190	646,190	647,600
Vacant land	418,563	418,563	418,563	418,563	415,182
Certified Assessed Value	<u>\$ 79,340,846</u>	<u>\$ 75,772,155</u>	<u>\$ 75,772,155</u>	<u>\$ 75,772,155</u>	<u>\$ 77,760,244</u>
<b>MILL LEVY</b>					
General	7.000	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>42.500</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 555,386	\$ 492,519	\$ 492,519	\$ 492,519	\$ 505,442
Debt Service Fund - Series 2017 A-1	2,538,907	2,424,709	2,424,709	2,424,709	2,488,328
Debt Service Fund - Series 2017 A-2	277,693	265,203	265,203	265,203	272,161
Levied property taxes	3,371,986	3,182,431	3,182,431	3,182,431	3,265,931
Adjustments to actual/rounding	(150,704)	-	(18,349)	-	-
Refunds and abatements	(74,101)	-	-	-	-
Budgeted property taxes	<u>\$ 3,147,181</u>	<u>\$ 3,182,431</u>	<u>\$ 3,164,082</u>	<u>\$ 3,182,431</u>	<u>\$ 3,265,931</u>
<b>ASSESSED VALUATION</b>					
Commercial	\$ 2,999,470	\$ 2,999,470	\$ 2,999,470	\$ 2,999,470	\$ 2,730,234
State assessed	10	10	10	10	10
Vacant land	145	145	145	145	145
Personal property	219,696	269,556	269,556	269,556	371,430
Certified Assessed Value	<u>\$ 3,219,321</u>	<u>\$ 3,269,181</u>	<u>\$ 3,269,181</u>	<u>\$ 3,269,181</u>	<u>\$ 3,101,819</u>
<b>MILL LEVY</b>					
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>
<b>PROPERTY TAXES</b>					
Debt Service Fund - Series 2017 A-1	103,018	104,614	104,614	104,614	99,258
Certified Assessed Value	<u>\$ 103,018</u>	<u>\$ 104,614</u>	<u>\$ 104,614</u>	<u>\$ 104,614</u>	<u>\$ 99,258</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 518,359	\$ 492,519	\$ 489,679	\$ 492,519	\$ 505,442
Debt Service	2,731,840	2,794,526	2,779,017	2,794,526	2,859,747
	<u>\$ 3,250,199</u>	<u>\$ 3,287,045</u>	<u>\$ 3,268,696</u>	<u>\$ 3,287,045</u>	<u>\$ 3,365,189</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/28/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,273,040	\$ 841,758	\$ 871,273	\$ 871,273	\$ 938,748
REVENUES					
Property taxes	518,359	492,519	489,679	492,519	505,442
Specific ownership tax	39,357	34,475	22,600	34,200	35,381
Interest income	8,918	5,000	540	600	500
Permits and fees	1,000	-	3,000	3,000	5,000
Total revenues	<u>567,634</u>	<u>531,994</u>	<u>515,819</u>	<u>530,319</u>	<u>546,323</u>
Total funds available	<u>1,840,674</u>	<u>1,373,752</u>	<u>1,387,092</u>	<u>1,401,592</u>	<u>1,485,071</u>
EXPENDITURES					
General and administrative					
Accounting	54,011	63,000	33,085	50,000	57,000
Auditing	5,500	6,000	5,800	5,800	6,500
County Treasurer's fee	7,761	7,388	7,348	7,388	7,582
Directors' fees	5,600	6,000	2,300	3,500	4,000
Dues and licenses	1,650	2,000	1,238	1,238	2,000
Insurance and bonds	32,450	38,000	38,918	38,918	45,000
District management	69,047	70,000	40,944	62,000	68,000
Legal services	47,614	65,000	29,295	45,000	50,000
Miscellaneous	10,926	5,000	2,387	5,000	5,000
Billing services	10,765	12,000	7,104	12,000	13,000
Election expense	1,034	-	-	-	3,000
Public Events	25,400	45,000	21,000	42,000	50,000
Contingency	-	8,612	-	-	6,918
Total expenditures	<u>271,758</u>	<u>328,000</u>	<u>189,419</u>	<u>272,844</u>	<u>318,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>697,643</u>	<u>460,000</u>	<u>19,323</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>969,401</u>	<u>788,000</u>	<u>208,742</u>	<u>462,844</u>	<u>1,018,000</u>
ENDING FUND BALANCES	<u>\$ 871,273</u>	<u>\$ 585,752</u>	<u>\$ 1,178,350</u>	<u>\$ 938,748</u>	<u>\$ 467,071</u>
EMERGENCY RESERVE	\$ 17,100	\$ 16,000	\$ 15,500	\$ 16,000	\$ 16,400
GENERAL & ADMIN RESERVE	500,000	350,000	350,000	350,000	250,000
CAPITAL REPLACEMENT RESERVE	-	200,000	200,000	200,000	200,000
TOTAL RESERVE	<u>\$ 517,100</u>	<u>\$ 566,000</u>	<u>\$ 565,500</u>	<u>\$ 566,000</u>	<u>\$ 466,400</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
GENERAL OPERATIONS FEE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

10/29/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 479,451	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
REVENUES					
Interest income	8,056	5,000	493	800	1,000
Reimbursed expenditures	4,300	-	-	-	-
General operations fee	1,754,955	2,010,000	1,340,000	1,981,060	2,212,000
General operations fee - penalty and other	7,870	5,000	1,438	2,000	2,000
Total revenues	<u>1,775,181</u>	<u>2,020,000</u>	<u>1,341,931</u>	<u>1,983,860</u>	<u>2,215,000</u>
Total funds available	<u>2,254,632</u>	<u>2,670,000</u>	<u>1,991,931</u>	<u>2,633,860</u>	<u>2,865,000</u>
EXPENDITURES					
Operations and maintenance					
Floral	224,485	250,000	105,750	165,000	190,000
Monthly cleaning	171,006	187,000	136,188	200,000	230,000
Pest control	-	10,000	3,978	10,000	10,000
Property maintenance	115,396	116,000	76,928	116,000	120,000
Landscape maintenance & irrigation repair	153,553	170,000	250,890	400,000	250,000
Property management	36,696	45,000	24,526	37,000	40,000
Repairs and maintenance	40,463	335,000	33,244	240,000	380,000
Security	59,084	70,000	40,779	65,000	75,000
Signage and decor	192,617	105,000	16,672	105,000	-
Signage	-	-	-	-	100,000
Holiday decor	-	-	-	-	115,000
Snow removal	236,824	400,000	241,272	350,000	350,000
Street lighting/ striping	92,218	100,000	23,617	50,000	75,000
Street repairs/sidewalk	84,632	42,000	-	38,000	45,000
Street sweeping	22,860	25,000	15,240	22,860	20,000
Traffic signals maintenance	-	5,000	12,925	15,000	35,000
Utilities	174,798	160,000	127,005	170,000	180,000
Total expenditures	<u>1,604,632</u>	<u>2,020,000</u>	<u>1,109,014</u>	<u>1,983,860</u>	<u>2,215,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,604,632</u>	<u>2,020,000</u>	<u>1,109,014</u>	<u>1,983,860</u>	<u>2,215,000</u>
ENDING FUND BALANCES	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 882,917</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>
GOF RESERVE	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 650,000</u>
TOTAL RESERVE	<u>\$ 650,000</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**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/28/21

ESTIMATED	BUDGET
2021	2022

REPAIRS AND MAINTENANCE

Banners	\$	30,000	\$	15,000
Retaining wall repairs/replace caps		75,000		60,000
Tree replacement/removal/care		100,000		100,000
Fountains/chemicals		30,000		45,000
Contingency/other		-		50,000
Detention pond		-		15,000
Playground inspections/repairs		-		5,000
Locates		5,000		5,000
Irrigation system upgrade		-		85,000
<b>TOTAL</b>		<b>\$ 240,000</b>		<b>\$ 380,000</b>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

10/28/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,355,772	\$ 2,524,903	\$ 2,405,375	\$ 2,405,375	\$ 2,503,308
REVENUES					
Property taxes	2,731,840	2,794,526	2,779,017	2,794,526	2,859,747
Specific ownership tax	206,898	195,600	128,231	194,300	200,182
Interest income	2,494	10,000	1,103	600	700
Total revenues	<u>2,941,232</u>	<u>3,000,126</u>	<u>2,908,351</u>	<u>2,989,426</u>	<u>3,060,629</u>
Total funds available	<u>5,297,004</u>	<u>5,525,029</u>	<u>5,313,726</u>	<u>5,394,801</u>	<u>5,563,937</u>
EXPENDITURES					
Debt Service					
Bond interest - Series 2017 A-1	2,104,250	2,088,950	1,044,475	2,088,950	2,073,200
Bond interest - Series 2017 A-2	185,975	184,625	92,313	184,625	183,275
Bond principal - Series 2017 A-1	510,000	525,000	-	525,000	590,000
Bond principal - Series 2017 A-2	45,000	45,000	-	45,000	50,000
Contingency	-	8,507	-	-	9,629
County Treasurer's fee	40,904	41,918	41,699	41,918	42,896
Paying agent fees	5,500	6,000	6,000	6,000	6,000
Total expenditures	<u>2,891,629</u>	<u>2,900,000</u>	<u>1,184,487</u>	<u>2,891,493</u>	<u>2,955,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,891,629</u>	<u>2,900,000</u>	<u>1,184,487</u>	<u>2,891,493</u>	<u>2,955,000</u>
ENDING FUND BALANCES	<u>\$ 2,405,375</u>	<u>\$ 2,625,029</u>	<u>\$ 4,129,239</u>	<u>\$ 2,503,308</u>	<u>\$ 2,608,937</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  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

10/28/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 8/31/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 91,724	\$ -	\$ -	\$ -	\$ -
REVENUES					
Interest income	265	-	-	-	-
Total revenues	<u>265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS IN					
Transfers from other funds	<u>697,643</u>	<u>460,000</u>	<u>19,323</u>	<u>190,000</u>	<u>700,000</u>
Total funds available	<u>789,632</u>	<u>460,000</u>	<u>19,323</u>	<u>190,000</u>	<u>700,000</u>
EXPENDITURES					
Capital Projects					
Monument	-	160,000	8,920	170,000	-
HUB/Landscape	777,503	-	-	-	-
Medians	12,129	300,000	10,979	20,000	400,000
Signage	-	-	-	-	300,000
Total expenditures	<u>789,632</u>	<u>460,000</u>	<u>19,899</u>	<u>190,000</u>	<u>700,000</u>
Total expenditures and transfers out requiring appropriation	<u>789,632</u>	<u>460,000</u>	<u>19,899</u>	<u>190,000</u>	<u>700,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (576)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**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.

**Net 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 provided. See summary of significant assumptions.

**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>

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>
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>

No assurance provided. See summary of significant assumptions.



**CliftonLarsonAllen LLP**  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111  
phone 303-779-5710 fax 303-779-0348  
[CLAconnect.com](http://CLAconnect.com)

September 21, 2021

Board of Directors  
Southlands Metro District No. 1  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Southlands Metro District No. 1 (“you,” “your,” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

#### **Scope of professional services**

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

#### **Management responsibilities**

Management and, when appropriate, the board of directors of the district acknowledge and understand that our role is to provide the services identified in an SOW and that management and the board of directors of the district have certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its management responsibilities. References to management in this MSA and in an SOW are applicable to the board of directors of the district.

**Responsibilities and limitations related to nonattest services**

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

**Fees and terms**

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 90 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 engagements will be deemed to have been completed even if we have not completed the services. 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.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform [claconnect.com/billpay](http://claconnect.com/billpay) accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

**Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Colorado, without giving effect to choice of law principles.

### **Limitation of remedies**

**These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.**

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a "CLA party") and that this limitation of remedies provision is governed by the laws of the state of Colorado, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods ("Limitation Period"):

### ***Consulting services***

- For each service pursuant to an SOW, separately within twenty-four (24) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twenty-four (24) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twenty-four (24) months after the termination by either party of either this MSA or the district's ongoing relationship with CLA.

### ***Tax services***

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the district's ongoing relationship with CLA.

***Examination, compilation, and preparation services related to prospective financial information***

- For examination, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

***Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information***

- For audit, review, examination, agreed-upon procedures, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

**CLA shall be authorized to the following cash access services:**

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
  - Paper checks – we will prepare the checks for your approval and wet ink signature.
  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.
  - ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the Board to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

### **Management responsibilities relevant to CLA's access to your cash**

All members of your Board of Directors are responsible for the processes below; however, we understand that you will designate one or more board members to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then Board will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

### **Other provisions**

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, 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.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services identified in applicable SOWs, we will utilize the resources available at the district, when applicable, to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this agreement, except as may be assumed in a SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

## **Consent**

### ***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Southlands Metro District No. 1 information in these cost comparison, performance indicator, and/or benchmarking reports.

### ***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

### ***Technology***

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

## **Termination of MSA**

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

**Agreement**

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "Jason Carroll". The signature is written in a cursive, flowing style.

Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

**Response:**

This agreement correctly sets forth the understanding of Southlands Metro District No. 1.

APPROVED:

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Signature

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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 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 Metro District No. 1 (“you” and “your”) dated September 21, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Jason Carroll is responsible for the performance of the preparation engagement and other services identified in this agreement. He 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 a designated individual
  - 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 – additional information is provided below.
- Assist the district’s board of directors in monitoring actual expenditures against appropriation/budget.
- 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 nonattest 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 (SSARs) 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. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. 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, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, 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 best 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 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$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.

#### **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.

**Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

***Verification regarding workers without authorization***

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

***Limitation regarding E-Verify Program and the Department Program***

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

***Duty to terminate a subcontractor and exceptions***

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

***Duty to comply with state investigation***

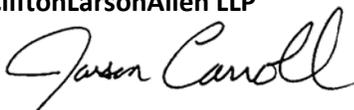
We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**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**



Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

APPROVED:

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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**

**Payroll Services SOW**  
**Date: September 21, 2021**

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 Metro District No. 1 (“you” and “your”) dated September 21, 2021. 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 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 the entity’s federal and state (if applicable) payroll forms and tax returns in accordance with the applicable payroll tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible.

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 appropriate level of management 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 and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity’s 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](http://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.

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 the entity.

### **Tax consulting services**

This SOW also covers tax consulting services that may arise for which the entity 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 the entity's 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 the entity to us in confidence and CLA will not disclose it to any other person or party, unless the entity authorizes us to do so, it is published or released by the entity, 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 the entity 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**

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy

and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. 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**

A handwritten signature in black ink that reads "Jason Carroll". The signature is written in a cursive, flowing style.

Jason Carroll, CPA

Principal

Jason.Carroll@CLAconnect.com

Enclosures

**Response:**

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

APPROVED:

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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 Metro District No. 1 (“you” and “your”) dated September 21, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

### **Scope of professional services**

Jason Carroll 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.

### ***Ongoing normal billing services:***

- Customer calls or emails;
- General inquiries;
- Develop payment arrangements for past due customers;
- Late notice inquiries;
- Owner/renter changes;
- Title company inquiries;
- HOA specific inquiries.

### **Billing**

- Lockbox processing;
- Manual payments;
- Inventory analyses/processing;
- Late notice processing;
- Account adjustments;
- Customer set-ups;
- ACH oversight including payment processing and online processing;
- Monthly accounting/Financial Management Interface;
- Prepare accounts receivable report as requested by the Board.

### **Engagement objectives and our responsibilities**

The objectives of our engagement are to:

- a. Prepare periodic, as requested, fee billing and collection services to customers.
- b. Provide timely customer service related to customer and client inquiries

**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.

Following an initial set up fee of \$3,000, Billing Services’ annual fees will be \$5,000 per month. All services rendered outside of the agreed to and aforementioned scope of professional services will be billed at standard hourly rates.

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

Additional Accounting Support	\$90-400
Supervisors/Senior Technicians	\$155
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.

**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.

**Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)**

***Unlawful employees, contractors, and subcontractors***

We shall not knowingly employ or contract with an unauthorized worker to perform work under this contact. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with workers without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with workers without authorization to perform work under this contact. [CRS 8-17.5-102(2)(a)(I) and (II)]

**Verification regarding workers without authorization**

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ or contract workers without authorization.

**Limitation regarding E-Verify Program and the Department Program**

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

**Duty to terminate a subcontractor and exceptions**

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with workers without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with workers without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization,. [CRS 8-17.5-102(2)(b)(A) and (B)]

**Duty to comply with state investigation**

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

**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**



Jason Carroll, CPA  
Principal  
Jason.Carroll@CLAconnect.com

APPROVED:

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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 3, 2022, for the purpose of electing directors of the District, 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 of the law firm of White Bear Ankele Tanaka & Waldron 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.

ADOPTED THIS 16<sup>th</sup> DAY OF NOVEMBER, 2021.

SOUTHLANDS METROPOLITAN DISTRICT NO.  
1

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

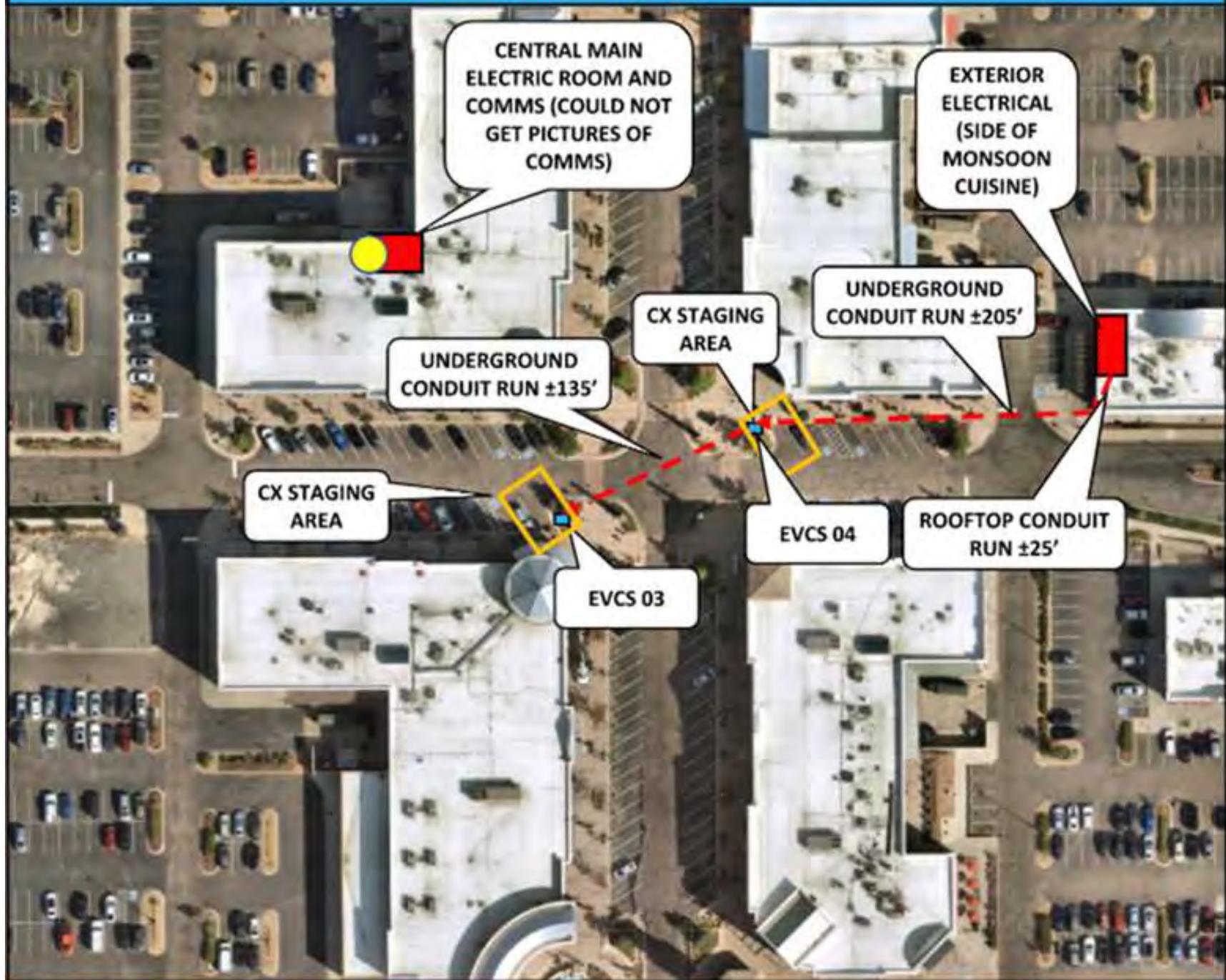
WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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General Counsel to the District

*Signature Page to Resolution Calling Election*

**OVERALL AERIAL VIEW OF THE SITE:**



**Southlands Metropolitan District No.1**  
**Scope of Work for Existing Smoky Hill Road**  
**Retaining Wall Repair**

September 2, 2021

**A. Contractor Requirements**

- A. The Contractor shall have a minimum of three (3) years' experience with retaining wall installation and/or repair on commercial properties.
- B. The Contractor will provide three (3) commercial references.

**B. Invoice Details**

- A. All invoices are subject for approval by a Southlands Metropolitan District No.1 Representative.

**C. Scope of Work** the Scope of Work outlined below will be applicable to and an explicit part of any contract awarded as a result of this RFP.

**A. General Contractor Requirement**

- I. Contractor shall provide all management, tools, supplies, equipment, and labor necessary to ensure that the retaining wall repairs are performed at Southlands Metropolitan District No.1 in a manner that will maintain a satisfactory and safe environment. Contractor shall take all reasonable precautions required to protect landscape areas and property from equipment damage.
- II. Contractor shall provide a list of the equipment that will be used on site.

**B. Based on the structure of existing retaining wall and the current conditions of wall distresses, the recommended wall repair should include the followings:**

- I. Remove blocks, debris, and existing steel wall tie straps to at least 3 feet (2-block width) beyond either side of the currently damaged areas to ensure that the facing blocks and wall ties to remain are in good condition.
- II. Recompact the wall subgrade and restore the leveling pad, if it is disturbed.
- III. Check the levelness of the bottom course of blocks and make adjustments as necessary.
- IV. Restack segmental blocks to the original wall alignment and elevations with block connectors. The original blocks and connectors that were not damaged or cracked may be reused. Minor damaged block corners smaller than 1/2 inches on each side would be acceptable for reuse.
- V. Place flowfill within, between, and fully behind blocks up to the underdrain pipe elevation. The top of flowfill should be graded to a continuous longitudinal slope to the low point and transversely sloping to the wall face.
- VI. Place underdrain pipe on top of the flowfill at a continuous slope and connect to the discharge pipe located at the low point. A typical wall drain detail is presented in Figure 1.
- VII. Connect the blocks to shotcrete face using 1-inch 20-gauge galvanized steel wall ties. The wall tie should vertically loop through block cell, be bent 90 degrees at the top and bottom of block to fit well to the back of

block cell, run straight in level from the block to shotcrete face, and fasten both ends of the wall tie on shotcrete face with 1.5-inch HILTI DS 37 P10 pins or DeWalt 8mm Head Drive Pins (50224). The pins that do not achieve a full penetration should be abandoned and replaced. Wall ties should be installed at every other course of blocks and at an 18-inch horizontal spacing. A typical connection detail is presented in Figure 2.

- VIII.** Backfill block cells and the space between blocks and shotcrete above flowfill with colloidal concrete in 2-foot lifts.
  - IX.** Place a layer of filter fabric (Mirafi 140N or equivalent) at the top of colloidal concrete.
  - X.** Reset wall caps using industrial concrete adhesive.
  - XI.** Finish the grades at the top of the wall with appropriate slopes.
  - XII.** Raise the finish grades at the bottom of the wall to a minimum 10% slope or up to the bottom of the discharge pipe, and continuously sloping from the wall face to the back of curb.
- C.** If the actual conditions encountered during construction differ from those described in this report, Robert Graham should be immediately contacted.
  - D.** GROUND should be periodically scheduled by the contractor to perform observations during construction.

**Southlands Metro District No. 1**  
**Retaining Wall Repair**

Proposal Submission Deadline: September 17, 2021

Proposal Submitted by: \_\_\_\_\_

**CONTRACT SERVICES**

Integrated Wall Solutions  
 1150 W. Littleton Blvd  
 Littleton, Co. 80120  
 Matt Davis - 303-656-8017  
 mdavis@integratedwallsolutions.com

**ACTIVITY**

**UNIT PRICE**

<b>I</b> Remove blocks, debris, and existing steel wall tie straps to at least 3 feet (2-block width beyond either side of the currently damaged areas to ensure that the facing blocks and wall ties to remain are in good condition.	\$ <u>2,153.29</u>
<b>II</b> Recompact the wall subgrade and restore the leveling pad, if it is disturbed.	\$ <u>1,950.76</u>
<b>III</b> Check the levelness of the bottom course of blocks and make adjustments as necessary.	\$ <u>1,336.42</u>
<b>IV</b> Restack segmental blocks to the original wall alignment and elevations with block connectors.	\$ <u>8,840.00</u>
<b>V</b> Place flowfill within, between, and fully behind blocks up to the underdrain pipe elevation	\$ <u>1,756.10</u>
<b>VI</b> Place underdrain pipe on top of the flowfill at a continuous slope and connect to the located at the low point.	\$ <u>510.00</u>
<b>VII</b> Connect the blocks to shotcrete face using 1-inch 20-gauge galvanized steel wall ties	\$ <u>3,016.15</u>
<b>VIII</b> Backfill block cells and the space between blocks and shotcrete above flowfill with colloidal concrete in 2-foot lifts	\$ <u>18,615.37</u>
<b>IX</b> Place a layer of filter fabric (Mirafi 140N or equivalent) at the top of colloidal concrete	\$ <u>425.96</u>
<b>X</b> Reset wall caps using industrial concrete adhesive.	\$ <u>536.42</u>
<b>XI</b> Finish the grades at the top of the wall with appropriate slopes.	\$ <u>1,226.32</u>
<b>XII</b> Raise the finish grades at the bottom of the wall to a minimum 10% slope or up to the bottom of the discharge pipe, and continuously sloping from the wall face to the back of curb.	\$ <u>925.87</u>

Special Considerations:

Shortage of block and caps for repair. There will be addition cost if more blocks or caps are needed. Blocks will be \$9.50 and Caps 5.75 each.

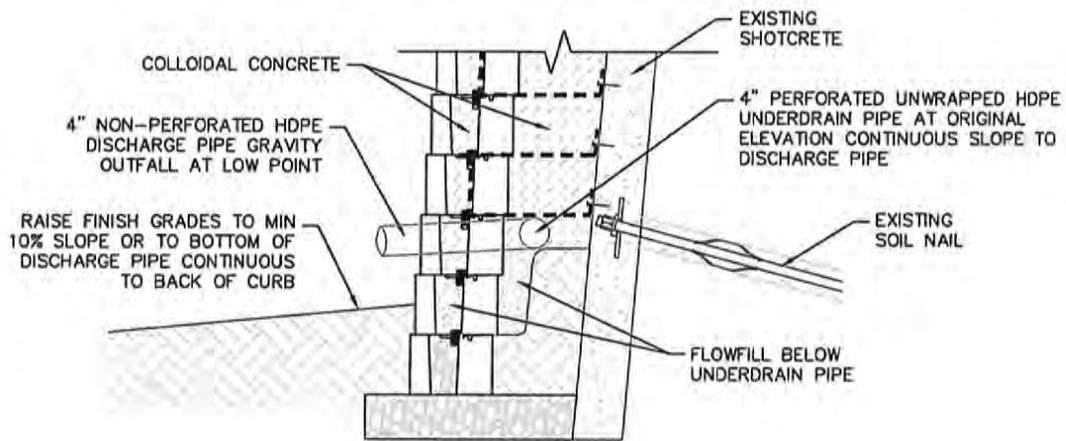
Inclusions:

Site visits from Ground Engineering.  
 Labor and Equipment for scope of work.  
 1- mobilization.  
 Taxes.

Exclusions:

Landscaping materials, Grass, rocks, trees or shrubs.  
 Sprinkler repair  
 Permit fees  
 Survey  
 Handrails, guardrails, fencing  
 PE stamped engineered drawings  
 Parking lot control, blocking off areas for construction.  
 Towing of any vehicles in construction zone.

**TOTAL CONTRACT PRICE \$ 41,292.66**



**NOTES:**

1. FLOWFILL SHALL CONFORM TO CDOT SECTION 206.02 AND THE FOLLOWING PHYSICAL PROPERTIES:
 

SLUMP	7 - 10 INCHES
MIN 28-DAY COMPRESSIVE STRENGTH	75 PSI
2. COLLOIDAL CONCRETE SHALL HAVE THE FOLLOWING PHYSICAL PROPERTIES:
 

SLUMP	1 - 2 INCHES
AIR CONTENT	12 - 19 PERCENT
MIN 28-DAY COMPRESSIVE STRENGTH	1,500 PSI
3. CONTACT RICK LUCERO AT 303-437-3777 OR RICKLUCERO@MSN.COM FOR AUTHORIZED COLLOIDAL CONCRETE SUPPLIERS.

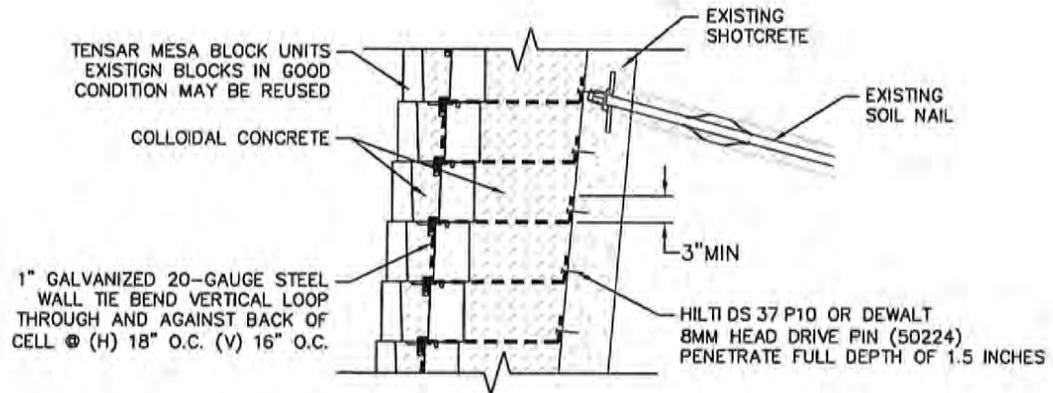
**GROUND  
ENGINEERING**

**WALL UNDERDRAIN DETAILS**

JOB NO.: 21-3602

FIGURE: 1

CADFILE NAME: 213602WDTLS.DWG



**GROUND**  
ENGINEERING

BLOCK-SHOTCRETE  
CONNECTION DETAILS

JOB NO.: 21-3602

FIGURE: 2

CADFILE NAME: 213602WDTLS.DWG

## **WORK TO BE PERFORMED:**

### **Signal Maintenance:**

#### **TS-1 Annual / Semi- Annual Preventive Maintenance (APM):**

Annual preventive maintenance shall be done on an annual basis and completed at each traffic signal location.

The following shall be completed:

1. ***Documentation:***

The Contractor shall check for all documentation as defined by the Owner. This documentation shall include, but not be limited to, the cabinet print(s), phasing diagram, intersection plan/as-built, controller data sheet(s), and log book. The Owner shall be notified of all missing, illegible, or damaged documentation.

2. ***Cabinet:***

The Contractor shall check the general condition of the controller cabinet. Clean cabinet and components thoroughly, replace disposable filters, clean permanent filters, lubricate locks and hinges, check door seals, check condition of cabinet caulking at the cabinet base and re-caulk if necessary. Remove posters, tape, and graffiti from cabinet surface. Check the thermostat, fan, cabinet light, and convenience outlet for proper operation. Verify that the thermostat is set at 85 degrees as defined by the Owner. Verify that anchor bolts and ground rod clamp(s) are tight. Ensure that all field wiring is identified with tags, indicating phase and direction. Tag field wiring that is not identified. Check field wire connections. Tighten field wire connections as needed. Report problems to the Owner.

In cases of infestation by mice, etc. the Contractor shall notify the Owner, take appropriate safety precautions, and immediately remove nesting material and debris. Required actions to limit the possibility for future infestation, including actions required to seal access points, shall be noted by the Contractor and reported to the Owner. Material and labor used in the removal of nesting material and debris shall be billed to the Owner at contract rates as defined in this agreement.

3. ***Cabinet Switches:***

The Contractor shall check all switches, in the police door and inside the cabinet, for proper operation. These switches include flash, on/off, stop time, detector test, manual control, etc. Flash transfer relays and associated contacts shall be inspected for wear. Report problems to the Owner.

4. ***Controller:***

The Contractor shall check all controller settings against what is stated on the controller data sheet(s). Check all indicator lamps, LEDs and LCDS for proper operation. Check all clearance intervals with a stopwatch. Observe dynamic operation, insuring all functions to be operating properly. The Owner shall be notified of all problems, controller data sheet discrepancies, and noted areas of concern.

5. ***Conflict Monitor (CMU)/Malfunction Management Unit (MMU):***

Computerized testing using an ATSI approved tester will be performed during the “Annual” inspection. Computerized test results shall include monitor location, manufacturer, model, serial number, tests completed, and test date. The technician shall review these results and check for conformance with tester standards. Copies of test results shall be left in the cabinet.

6. ***Uninterruptible Power Supply (UPS):***

The Contractor shall check the UPS for proper operation by disconnecting the power source. Where the UPS functions properly, the power source shall remain disconnected for a period of no less than 5 minutes. Where the UPS fails operation, the power source shall be reconnected with the signal restored to normal operation. Additional checks shall be made using a battery load tester. Report problems to the Owner.

7. ***Coordination:***

The Contractor shall check telephone lines, interconnect, and all associated equipment for proper operation. Check for proper controller manipulation by use of holds, force off, max 2, etc. Check all settings per data sheet. Check clock on coordination equipment and reset if necessary. Report problems to the Owner.

8. ***Preempt:***

The Contractor shall test railroad preempt for proper operation with a test switch or by removing or jumping input as required. The Contractor shall test emergency vehicle preemption by use of an emitter from proper distance. Report problems to the Owner.

9. ***Detection:***

The Contractor shall check for proper operation of all vehicle detection.

*Inductance Loops* – Check vehicle detection for proper operation; re-tune detector amplifiers if necessary. Check loop splices; re-splice inductance loops if necessary and if the water valve boxes and/or pull boxes are readily accessible. Check detector amplifier settings, including extend/delay function settings, and make setting adjustments as necessary to maximize detection operation based on the Owner’s specifications. Make cursory checks regarding the general condition of the inductance loops, surrounding pavement, and water valve boxes. Report pavement failures related to existing or imminent loop failures to the Owner. Report damaged, missing, buried, raised and/or sunken water valve boxes, water valve box lids, and/or pull boxes to the Owner. Report problems to the Owner.

Where vehicle detection is failed, the Contractor shall place the vehicle detection’s associated vehicle phase on maximum recall and immediately notify the Owner.

*Video Detection* – Check vehicle detection for proper operation. Conduct a cursory check of the attachment hardware. Check video quality. Check cameras for proper alignment. Clean camera lenses. Report problems to the Owner.

Where vehicle detection is failed, the Contractor shall place the vehicle detection’s associated vehicle phase on maximum recall and immediately notify the Owner.

**10. Signal Heads:**

The Contractor shall check all signal heads for proper height and alignment, check for damaged housings, lenses, reflectors, visors, burned out bulbs, inoperable LEDs, and worn mounting hardware. Report problems to the Owner.

**11. Poles:**

The Contractor shall visually check the alignment and general condition of poles. Check poles for damage, rust, and need of paint. Check for missing or loose hand-hole covers, nut covers, and nuts. Conduct cursory visual inspection of signal caissons, bolts, welds, and attachment hardware. Tighten bolts where necessary. Document and report any deficiencies in the structure and/or hardware to the Owner.

If the condition of any pole creates a safety hazard and the Contractor in its reasonable professional discretion determines that immediate repair with extraordinary equipment or operations (such as use of a crane) is required, the Contractor shall notify the Owner and then correct the safety hazard as necessary. The Owner shall be responsible for the costs of any extraordinary equipment and operations necessary to correct a bona fide safety hazard.

**12. Mast arms:**

The Contractor shall visually check the alignment and general condition of mast arms. Check mast arms for damage, rust, and need of paint. Check for missing or loose hand-hole covers, bolts, and nuts. Conduct cursory visual inspection of bolts, welds, and attachment hardware. Tighten bolts where necessary. Document and report any deficiencies in the structure and/or hardware to the Owner.

If the condition of any mast arm creates a safety hazard and the Contractor in its reasonable professional discretion determines that immediate repair with extraordinary equipment or operations (such as use of a crane) is required, the Contractor shall notify the Owner and then correct the safety hazard as necessary. The Owner shall be responsible for the costs of any extraordinary equipment and operations necessary to correct a bona fide safety hazard.

**13. Span-wire:**

The Contractor shall check all top and bottom span-wires for excessive slack, sag, damage, fraying and proper height. Check all eyebolts, strand vices, hangers, hardware, signs, etc. for damage or excessive wear. Report problems to the Owner.

**14. Pull-boxes:**

The Contractor shall check all pull-boxes for damage. Check all pull boxes for missing, broken, and/or loose fitting lids. Check for proper height and potential trip hazards. Check condition of wiring including conductor insulation, cable insulation, and splices. Check grounding where present to ensure grounding wires are correctly fastened and tight. Tighten and/or reattach conduit grounds where necessary. Re-splice and/or re-seal connections requiring immediate attention. Report any problems to the Owner.

**15. Push-buttons:**

The Contractor shall check pedestrian push buttons for proper and secure mounting, proper operation, and general condition. Verify pedestrian push button operation to ensure that the correct pedestrian phase is called. Check the presence and condition of pedestrian push button instructional signs. Report any problems to the Owner.

Where pedestrian detection is failed, place the pedestrian detection's associated pedestrian phase on pedestrian recall and immediately notify the Owner.

**16. Voltage and Current Readings:**

Check and record the controller +24VDC, total intersection current, and the A. C. line voltage.

**17. Repair Report:**

All hazardous conditions shall be corrected immediately at additional cost to the Owner. The Contractor shall supply the Owner with a detailed report of work done and work required for each location at which an Annual Preventive Maintenance has been completed.

**TS-2 Quarterly Preventive Maintenance (QPM): (Option)**

Quarterly preventive maintenance shall be done on a quarterly basis and completed at each traffic signal location. A Quarterly Preventive Maintenance shall not be scheduled or performed at locations during the quarter for which an Annual Preventive Maintenance is scheduled.

Payment shall be executed after completion of an operation check of the following:

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Cabinet Fan                  | 7. Vehicle Detectors          |
| 2. Controller/Coord Operation   | 8. Signal Indications         |
| 3. Conflict Monitor Indications | 9. Signal Alignment           |
| 4. Flasher Circuits             | 10. Pedestrian Push Buttons   |
| 5. Signal Timing                | 11. Remove Graffiti/Tape      |
| 6. Time Base Clocks             | 12. Remove Unauthorized Signs |

**Repairs:**

All hazardous conditions shall be corrected immediately at additional cost to the Owner. A worksheet documenting all work done and work required for each location shall be submitted.

### **TS-3 Flashers And Beacons: (Option)**

Prior to the beginning of each school year or other time designated by the Owner, each location will be reprogrammed for the coming school year and the following checks shall be performed at that time.

1. Check condition of signs, poles, signal heads, and cabinet.
2. Clean lenses, reflectors, signs, and cabinet as necessary.
3. Check operation of clock, flasher, and signals.
4. Check for obstruction by trees, bushes, etc.
5. Check signals and signs for proper alignment, realign and secure as necessary.
6. Replace bulbs as necessary.

### **TS-4 Pedestrian Crossings: (Option)**

One time per year, each location will be checked for correct operation and display with the following checks being performed.

1. Check condition of signs, poles, signal heads, and cabinet.
2. Clean lenses, reflectors, signs, and cabinet as necessary.
3. Check operation of clock, flasher, and signals.
4. Check for obstruction by trees, bushes, etc.
5. Check signals and signs for proper alignment, realign and secure as necessary.
6. Replace bulbs as necessary.

### **TS-5 Speed Radar Signs: (Option)**

One time per year, each location will be checked for correct operation and display with the following checks being performed.

1. Check display operation.
2. Check accuracy of speed display with the use of the manufacturer supplied tuning fork.
3. Check limit settings based on posted speeds and Owner specifications.

## **EMERGENCY REPAIR:**

### **TS-7 Un-Scheduled And Emergency Repairs:**

All malfunctions of a controller and its auxiliary equipment shall be considered an emergency unless otherwise identified by the Owner. Equipment malfunctions, and/or damage, which, in the opinion of the Owner, constitutes a serious hazard or inconvenience to the public shall be considered an emergency. Such malfunctions or damage may include, but not necessarily be limited to, situations where:

- (1) All red indications are out including bulbs, lenses or LEDs, for any one traffic movement;
- (2) Signal heads give conflicting indications to any intersection approach;
- (3) A signal has been knocked down;

Lumin8 currently has the maintenance contracts for the majority of the Denver metro areas and has technicians daily in each area performing scheduled maintenance and repairs. Because of this presence Lumin8 believes we will be able to respond to emergency trouble calls within a one hour period..

Contractor shall be entitled to charge Owner for a minimum of one hour for the labor and equipment actually used to make any such repair in the event that the repair work takes less than one hour to complete. In the event that the repair work exceeds one hour, the additional time shall be charged in one-half hour increments. The minimum of one hour for labor and equipment does not apply to Scheduled Preventive Maintenance. The Owner shall pay Contractor for the materials, parts and/or supplies actually used by Contractor in making any such repair pursuant to this contract.

### **TS-8 Extra Work:**

The term "extra work" shall be understood to mean and to include all work that may be required by the Owner which is not preventive maintenance or unscheduled and emergency repair work. Examples of extra work may include, but not be limited to, the following:

1. Development of Traffic Signal Specifications, as completed for Adams County, Arapahoe County, Commerce City, and Littleton UPS specifications.
2. Modifications to an existing signalized intersection. This would typically describe intersection reconstruction requiring the relocation of all or part of the existing signal equipment. This would also include the installation of signal equipment not presently found at an existing signalized intersection. (Example: The installation of loop detectors on an approach with no existing detection).
3. Installation of equipment and/or materials for a new signal installation location, either complete or partial.
4. Changes in signal timing.
5. Painting of mast-arms, span-wire poles, control cabinets, signal heads and visors.
6. Installation of School Speed Limit Flashers and warning beacons.

7. Installation of pedestrian crossing signs.
8. Acting as the City's agent in the review or inspection of signals not constructed as part of this contract.
9. Fiber Optic Splicing and Terminating.

**TS-9 Time And Material Proposal:**

For any installations or extra work, the Contractor may submit a proposal for acceptance or rejection by the Owner. The proposal shall include estimated time, equipment and materials. If the proposal is accepted by the Owner, the installation or extra work would be performed by the Contractor on a time and materials basis for a price not to exceed that set forth in the proposal. Changes by the Owner, which occur after the proposal has been submitted, will be considered as changes to the proposal.

**WARRANTY:**

Lumin8 warrants all work performed and equipment installed for one year from date of acceptance by the Southlands Metro District.

## REPORTING & MONITORING: (Option)

### A. Daily System Checks:

Lumin8 understands that a traffic signal system is only beneficial if communications are operational, and if the stored data is accurate. As such, in 1998, Lumin8 installed the hardware, software, and communications necessary to complete daily system checks of our customer's systems.

In 2004, we realized the need to continue forward with this effort, use automated commands to simplify daily checks, and use maintenance technicians to verify the data received as a result of the automated checks.

The purpose of daily system checks is to better assist the Southlands Metro Dist. in preparing for emergencies as they arise. Should a signal controller's program be lost or corrupted, it is essential that *correct* signal operation be restored as quickly as possible for the safety of the public. Through daily system checks and reporting, Lumin8 can help to ensure the viability of signal communications as well as the accuracy of the City's traffic signal system database. As such, controller programs and signal operation can be restored quickly and accurately. Through these efforts, it may be possible for Lumin8 to assist in reducing the City's liability.

As part of the daily system checks, Lumin8:

- Checks communications to ensure signal communications are available.
- Reviews daily reports generated by the system checks to quickly determine the signals at which timing changes had occurred since the last check.
- Assists the engineer in determining the validity of signal timing changes.
- Creates modified reports to keep the City informed of all observances and situations and emails these reports to the City's traffic engineer on a daily basis.

Additionally, as part of the real-time monitoring of the traffic signals, Lumin8 has programmed the master controllers to send critical alarms back to our TOC. Through automated routines, our system can receive alarms from the master controllers and generate pages to our technician which notify our technician of the traffic signal controller's flash status. With reporting and paging being completed within two minutes of the traffic signal entering into flash, our technicians can quickly and accurately respond when signals enter into a flash condition. Through these efforts, it may be possible for Lumin8 to assist in reducing the City's liability.

Daily system checks are completed at no additional cost to Southlands Metro District. Charges to the City only occur if and when Lumin8 is required to complete additional or extra work resulting from the daily system checks. In those instances, labor rates are charged as per the hourly rates defined in the "Fee Schedule" included as part of our RFP response.

## B. Work Progress Tracking System:

Lumin8 created WL-Online five years ago. WL-Online is our real-time, paperless work progress tracking system that saves you time, money, and allows you to manage the work we do for you at an unprecedented level. Combined with our daily systems monitoring, Lumin8 provides the fastest, most effective, and most transparent maintenance in Colorado.

Through WL-Online, Lumin8 records when a trouble call request and/or extra work requests are issued; date and time. The issuing agency, contact person, and phone number. The trouble call and/or extra work request details. The Lumin8 technician assigned to complete the repairs and/or extra work.

Once the repairs and/or extra work have been completed, technicians record the time and date that they arrived on site, what they found, the repairs and/or extra work they completed, the materials they used, and the time and date they completed the work.

Features of W.L. Online include:

- An unlimited number of user accounts.
- Security with hidden user defined passwords.
- 24/7 access to database information.
- Personalized user settings which allow for the customer to receive automatic email notifications of trouble calls and extra work as requests are queued in our database, and as repairs and/or extra work are completed.
- Query tools that allow the customer to conduct research and generate reports on their traffic signal histories.
- Query tools that allow our technicians to conduct extended research on traffic signal histories for all customers.

Through the use of WL-Online, the owner may realize the following benefits:

- ***Time and money savings can be realized by reducing the amount of traditional communication***, like phone calls and the City's generated emails, to check on the status of trouble calls and extra work requests.

Lumin8 has provided our maintenance technicians with secure, wireless laptops which enable them to view and enter data directly from the job site and keep the status information real-time. Through these services, Lumin8 provides the fastest, most effective, and most transparent maintenance in Colorado while limiting administrative costs.

- ***Improved monitoring of a projects progress***, to determine when a project approaches key points and site visits are required, and to monitor Lumin8 response time to trouble reports and ensure that we meet contract requirements.
- ***Use Lumin8's database as a tool to better control the maintenance budget***. As our database presently spans more than five years and includes the ability to run electronic queries on database data, queries may assist Southlands Metro District's traffic engineer in determining signal fault trends early on. As such, major signal failures may be avoided, and budgetary focus may better be placed on areas requiring additional attention. With the growth of the database through expanded years of service, trend data may be more precise, limiting the City's liability.

Through WL-Online, Southlands Metro District maintains the greatest control, limits their liability, and improves in the coordination between the City and Lumin8 Access is secure, proven, and reliable with all system access being provided through the internet. Access has been provided to the City at no cost and shall continue as such while Lumin8 retains the maintenance contract.

Lumin8 employs a full time programmer. We continually strive to expand and add functionality to the system to ensure that our customers are kept up to date with operations. We encourage our customers to provide feedback, both positive and negative, regarding the site. A demonstration of WL-Online is available upon request.

### **C. Annual System Review & Analysis:**

With the use of WL-Online, Lumin8 has the capability to thoroughly review all trouble call and extra work completion records in relation to the City's traffic signals and traffic system as a whole. When these records span the previous 12 months and are analyzed, Lumin8 is better able to pinpoint specific historic problem areas, assess existing conditions of the individual signals and system, and define beneficial and/or required signal and system upgrades. This analysis ensures that special attention is paid to upgrades completed during the said 12 month period. A report can be provided to the City which outlines specific areas of concern, defines solution options for repetitive problems, defines relevant upgrade options, and provides recommendations by Lumin8. Assessment of the apparent effectiveness of upgrades completed during the said 12 month period can also be provided.

When requested, this analysis can help the City to determine where existing funding may best be spent, and determine additional funding requirements for the upcoming fiscal year.

Periodic reports shall only be generated at the City's request with labor costs being charged at the "Hourly Rates" as defined on the "Fee Schedule" included as part of our Bid response.

## TERMS OF PAYMENT

### **TP-1 Payment Schedule:**

Unit monthly costs, un-scheduled and emergency repair work, extra work, and “Annual Bulb Change” costs shall be invoiced on a monthly basis. Costs associated with the “Annual Bulb Change” shall be invoiced based upon the number of bulbs replaced during the specified month.

### **TP-2 Invoice Disputes:**

Should an invoice dispute arise, the Contractor shall supply and review the associated records with the Owner. Should a mistake be found within the Contractor’s records, the Owner shall be adjusted and a new invoice shall be issued. Where no mistake has been made by the Contractor, the invoice shall stand with payment being made pursuant to this Agreement and the original date of invoice.

The Owner shall be responsible for all invoices associated with maintenance and repairs of traffic signals and equipment included as part of this Agreement. Should the Owner deem any maintenance or repair completed by the Contractor, which is in any way associated with traffic signals and equipment included as part of this agreement, to be the responsibility of a different agency or third party, it shall be the Owner’s responsibility to contact the responsible party and recoup the fees invoiced by the Contractor. The Owner shall pay the Contractor all costs associated with the disputed invoice pursuant to this Agreement.

### **TP-3 Payment Schedule:**

All payments for invoiced work as part of this Agreement are due Net 30 days. Should payments for invoiced work pass a Net 60 day period, an interest charge of 1.5% per month shall be added to the invoice.

## **Value Added:**

### **Service Maintenance Options:**

Throughout this Bid response, Lumin8 has noted the fees associated with specific preventive maintenance procedures. In some circumstances, agencies may elect to pay for these procedures at straight hourly rates. Lumin8 is available to proceed with the contract in either fashion with the City making final decisions prior to the start of the contract.

Lumin8 has also listed additional maintenance procedures which, at this time, are not included as part of the City's standard maintenance procedures. These services have been listed as a means to present the City with additional options as the City grows and as additional equipment is installed.

### **Application of Technology Enhancements:**

Lumin8 continues to research, test, and review new products and research new technology to determine how it best fits into today's and tomorrow's traffic system environment. Areas in which these newer technologies have been used include:

#### **Secure Traffic Operations Center (TOC):**

Lumin8 recognizes the need to protect signal system access and the City's data. As such, Lumin8 has installed electronic security which limits TOC access to only those personnel who require it. Specifications regarding TOC security shall be provided to the City upon request.

As part of our TOC, Lumin8 has installed GPS hardware and software. With this technology in place, Lumin8 is able to better track and mobilize employees and equipment as needed to best respond to emergencies.

Lumin8 has also installed a WWV time sync. Through our TOC's time sync, signal system servers, and signal system software, Lumin8 is able to sync Master and Local controller's time of day and ensure that coordination is maintained at agency boundaries.

#### **Wireless Laptop Computers:**

Wireless laptop computers have been issued to each of our employees within our maintenance department who have been delegated to this contract.

Through these laptops and W.L.-Online, employees can view and complete work request on location, review historic signal and repair information, and gain remote access to the City's traffic signals and traffic signal system. As with the TOC, multi-layer security has been put in place to secure this access, protect the signal system, and protect the City's data.

Benefits realized as a result of the use of wireless laptops include minimizing the chance that unsuccessful repair procedures are duplicated when failures are repetitive in nature, minimizing the time and number of personnel required when dealing with communication failures, the ability to remotely command signal downloads of accurate timing data when controller replacements are required. Cost savings and liability reduction can be realized across the board.

In many cases because our technicians are currently dispatched throughout the Denver Metro area we are able to respond to emergency trouble calls within a one hour period, and often times sooner. Over the course of a year this savings can be significant, reducing hourly charges for mobilization to the trouble call and limiting the City's exposure to liability.

**Contract Renewal Incentives:**

Lumin8 will allow the City to renew the existing contract per the contracts original terms and conditions.

**Training:**

While technology, traffic systems, and ITS systems continue to evolve, we understanding the need to keep our technicians trained in the latest technology, and the need to train new employees to ensure we constantly meet and exceed customer's goals and expectations.

Through Lumin8 and the U.S. Department of Labor's 5 year Traffic Signal Apprenticeship program, we are able to continually train our employees, providing them the knowledge and understanding required to remain current with today's technology, and ensure that required I.M.S.A. certifications are maintained.

**Additional Employees and Company Abilities:**

Lumin8 realizes the need for specific licenses and abilities as part of today's traffic signal industry. Although not specifically called for in the City's Bid, Lumin8 employs or can retain the following:

**Traffic Engineer:**

Lumin8 works with & employs Traffic Engineers to assist as needed on projects as required and requested by the City.

**Master Electrician(s):**

Lumin8 employs both Master Electricians and Journeyman Electricians to assist with electrical services and the pulling of electrical permits as required and requested by the City.

**Fiber Technicians:**

Lumin8 employs fiber optic technicians to complete new fiber installations and fiber repairs as projects required and as requested by the City.

**Safety Manager:**

Lumin8 recognizes the need to ensure that our technicians and crews work safely and meet state and federal safety regulations while working in your area. To this end, we employ a full time safety manager to assist in keeping us up-to-date on new regulations, monitor current operations, define safety standards, train new employees, and complete field spot checks as projects and operations progress.

Lumin8 has established safety rules and guidelines in compliance with the requirements of the MUTCD, OSHA, and state and federal regulations. Our safety rules and guidelines are defined in Lumin8 220 page safety manual. A copy of our safety manual shall be provided for review upon request.

**Spare Inventory of Material and Parts:**

Lumin8 stocks materials and parts as may be needed for normal repair of the traffic control equipment. In addition, Lumin8 stocks the necessary controllers, poles, signals and parts necessary to restore an intersection to an operating condition on an emergency basis.

**Mast Arm Inspections.**

Lumin8 has had the opportunity to work with agencies including Colorado Springs, Douglas County, Arapahoe County, The City of Littleton, Boulder County and The City of Arvada to complete detailed inspections of poles and mast-arms to determine structures which showed cracks and damage to the structure and to the associated welds which were not visible with the naked eye. Through established relationships with certified engineering firms, we are able to extend this option to the City on as-needed and as-requested basis.

Lumin8's online database presently spans 5 years. Through WLContractors.com, the City can run database queries, allowing the City to see and respond to signal failure trends. As such, major signal failures may be avoided by addressing fault trends early on and thus limiting the City's liability.

Lumin8 has extensive knowledge and experience in the development, installation, and implementation of Intelligent Traffic Systems (ITS) and can assist the City with all of their ITS needs. ITS includes fiber, CCTV, VMS, and wireless applications.

Lumin8 has extensive experience with the majority of traffic signal systems throughout the Denver Metro area. We can quickly and reliably make repairs to Southlands Metro District's traffic signal or systems as needed. Return trips can be limited, saving the City money on maintenance repairs.

Upon request of the City, Lumin8 will prepare a cost estimate for larger, extra work projects to assist the City with their budget priorities.

Lumin8 also has a Design engineering agreement with Lantz & Associates enabling us to submit traffic signal design in a timely and economical fashion.

**Apprenticeship Program:**

Lumin8 also operates a national accredited apprenticeship program available to all employees. The apprenticeship program is for certification for Traffic Signal Technician with the approval of the United States Department of Labor. This program is the only one of its kind in Colorado. Five years of class room study and on the job training are required to complete the Journeyman Traffic Signal Technician certification.

Lumin8 also participates in the training and certification of its employees through the International Municipal Signal Association (IMSA). The training for IMSA Levels I, II and III is provided through the apprenticeship program. There are numerous IMSA Level II certified employees at WL.

Lumin8 will undertake each such emergency repair no later than one hour after Centennial notifies WL of the emergency. WL's main phone number, 303-422-7985, is our 24 hour, 7 days a week emergency number.

## **Method Statement:**

**MS-A. CONTINUOUS SERVICE:** Continuous maintenance and emergency service shall be provided by the contractor on a twenty-four (24) hour, three hundred sixty-five (365) day per year basis for the entire contract award period. The Contractor shall provide and maintain twenty-four (24) hour continuous, one number telephone answering service and the Contractor shall be considered notified when the information is given to the answering service. Dispatcher phone number 303-422-7985.

**MS-B. SERVICE EQUIPMENT REQUIREMENTS:** The Contractor shall maintain a fleet of service trucks, which shall be capable of doing the work covered under this agreement. The minimum required vehicles shall include, one primary and one backup emergency service truck, one bucket truck, and one derrick/digger truck, all equipped with cell phones or two-way business radios and amber or approved beacons. Each vehicle shall be clearly identified with the Contractors name and telephone number.

**MS-C. Laptops:** All technicians are provided laptops to complete their scheduled work and to document all work performed under this contract.

**MS-D. SERVICE PERSONNEL REQUIREMENT:** The Contractor shall have present, during any repair and/or maintenance work, sufficient and qualified personnel to properly perform the work. All services provided under terms and conditions of this agreement, including scheduled maintenance, shall be supervised by an IMSA Level II Technician, Journeyman Electrician or higher.

**MS-E. MAINTENANCE OF TRAFFIC:** The contractor has certified TCS's to set up and maintain traffic per the MUTCD. All street detours, partial or complete shall be approved by the Owner as needed via MHT's. All construction and maintenance operations which may create hazards to vehicles, pedestrians, or the workers shall require traffic control devices as specified by FHWA and the MUTCD, as required by the Owner. Permits shall be obtained as requested by the Owner.

**MS-F. RECORDS OF MAINTENANCE:** A current detailed report of all scheduled maintenance, unscheduled maintenance, repairs and extra work will be supplied to the Owner on a monthly basis and upon demand when required. This report shall be in a convenient and easily understood format and shall include as a minimum the location, description of the problem or work completed, the time and date the call was received, and the time and date the problem was corrected. Copies of this information will be maintained by the contractor for the duration of the contract. This information is also available to the customer per an Online access.

**MS-G. Approach:** Lumin8 offers various levels of service depending on customer needs and will work together with the City of Englewood to define the level of service that best meets the City's maintenance goals and budget.

a. Annual Traffic Signal Inspection:

Annual Traffic Signal Inspections shall be performed as outlined in the attached "Work to be Performed" document. Annual Traffic Signal Inspections shall be billed per the included "Fee Schedule".

b. Pedestrian Lighting Inspections:

Lumin8 shall perform three "Quarterly" Pedestrian Lighting inspections, combined with one "Annual" Pedestrian Lighting inspection. The "Quarterly" inspection shall consist of driving the lighted corridors every quarter, marking all streetlights that need to be repaired and reporting our findings to the City. The "Annual" inspection shall consist of checking the condition and operation of the pedestrian light poles and fixtures, pull boxes and wiring. The "Street Light Checklist" shall be filled out and provided to the City. Pedestrian Lighting Inspections shall be billed per the included "Fee Schedule".

c. On Call Retainer:

Lumin8 shall staff the appropriate personnel and equipment to respond to all emergency and or trouble calls on an "After Hours" basis, 24/7/365 (as outlined in the attached documents). After Hours "On Call" Retainer shall be billed per the included "Fee Schedule".

d. Repairs shall be completed "As needed" per the approved contractual rates. Materials shall be charged at Cost + 15%. (Unless supplied by Englewood).

e. For specific projects or as requested by the City, Lumin8 will provide the City with a proposal to complete all work.

### **Quality Assurance / Quality Control Process:**

All work performed under this contract shall conform to all National (**NEC / MUTCD**) and State (**CDOT / FHWA**) codes in accordance with **The City of Aurora's Specifications**. Completed work shall be followed up by the project manager to ensure a complete and working repair / installation. Any work performed that cannot be immediately remedied shall be documented and brought to the attention of the assigned project manager for Englewood. This communication may be in the form of an email, phone call, written letter, completed work order / invoice, or all the above.

**Southlands Metro District  
Fee Schedule**

<b>Annual Traffic Signal Inspection:</b>			
<b>Main St &amp; Southlands Pkwy.</b>	1	\$615.00 Ea.	
<b>After Hours "On Call" Retainer:</b>	NA	\$5.00 Per Signal Per Month	

**Equipment:**

**Hourly Rate**

Bucket Truck	\$ 37.50
Boom/Digger Truck	\$ 95.00
Dump Truck	\$ 35.00
Trencher	\$ 65.00
Compressor	\$ 25.00
Pickup Truck	\$ 32.00
Maintenance Van	\$ 32.00

**(Normal Business Hours / 7:00 AM – 3:30 PM)  
(Weekdays)**

**Personnel:**

**Hourly Rate**

Technical Consultant	\$ 95.00
Supervisor	\$ 65.00
Foreman / TCS	\$ 55.00
Tech III	\$ 65.00
Tech II	\$ 60.00
Tech I / Locator	\$ 55.00
Operator	\$ 55.00
Laborer	\$ 45.00

**(After Hours / 3:30 PM – 7:00 AM)  
(Weekends & Holidays)**

<b>Personnel:</b>	<b>Hourly Rate</b>
Technical Consultant	\$ N/A
Supervisor	\$ 97.50
Foreman	\$ 82.50
Tech III	\$ 97.50
Tech II	\$ 90.00
Tech I	\$ 82.50
Operator	\$ 82.50
Laborer	\$ 67.50
<u>Loops:</u>	<u>Unit Cost</u>
6x40 Quad	\$ 1400.00
ATSI Testing	\$ 275.00 ea.
ATSI Testing / City Wide	\$195.00 ea.
Material Markup	15%



**PROPOSAL SUBMITTED TO:** Special District Management Services, Inc.  
**ADDRESS:** Southlands Metropolitan District No. 1  
141 Union Boulevard, Ste 150  
Lakewood, CO 80228

**CONTACT:** Ann Finn  
**PHONE:** 303-987-0835  
**EMAIL:** afinn@sdmsi.com

**DATE:** Tuesday, November 02, 2021  
**JOB NAME AND ADDRESS:** Southlands Shopping Center / Metro District  
(E. Smoky Hill & Main St., Aurora, CO 80016)  
January 1, 2022 – December 31, 2022

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**Power Sweeping** **\$1,092 /mth (\$13,104 annual)**  
Sweep and detail (power blow) drive lanes, inside and outside curb lines and all corners.

Power Sweeping includes the following;

- 2x /week service – between 11:pm – 7:am
  - Tuesday nights – Wednesday morning
  - Friday nights – Saturday morning
- All labor and equipment necessary to complete the above specification.
- Equipment used will be capable of removing all trash, debris, and sand by means of air vacuum with dust control.
- All areas not accessible to mechanical equipment will be blown free of trash and debris by hand held blowers.
- All trash, debris, and sand will be disposed of offsite unless otherwise agreed upon.
  - \*no dumping available onsite\*
- Service schedule to be agreed upon by both parties.
- Additional work will be at an additional cost.

**Southlands Metropolitan District Roads to include;**

- East Orchard Rd.
- Prospect Avenue
- South Central Street
- South Southlands Parkway
  - (Includes Main Street Shops and Parking (South Main Street & East Commons Avenue).
- Refer to map (attached)

This pricing assumes contracts with both the Power Center and Town Center portions of Southlands, as well as, Southlands Metro District.

Upon signing above, I issue my personal guarantee of payment, which will be remitted upon invoice. Additional charges of 3.5% for credit card usage. All invoices are due and payable upon receipt. In the event the amount of an invoice is not paid within 30 days from the date of the invoice, the account shall be deemed to be in default and Contractor reserves the right to cease any further work until the account is brought current. Any invoice not paid within 30 days from the date of the invoice shall accrue interest at the maximum lawful rate of 1-1/2% per month, not to exceed 19% per annum. Owner/Customer agrees to indemnify the Contractor harmless from any costs or expenses incurred in the collection of the defaulted account, or in any part thereof, including all reasonable attorney fees, court cost, etc.

All services in Denver County subject to Denver County Tax



Upon signing above, I issue my personal guarantee of payment, which will be remitted upon invoice. Additional charges of 3.5% for credit card usage. All invoices are due and payable upon receipt. In the event the amount of an invoice is not paid within 30 days from the date of the invoice, the account shall be deemed to be in default and Contractor reserves the right to cease any further work until the account is brought current. Any invoice not paid within 30 days from the date of the invoice shall accrue interest at the maximum lawful rate of 1-1/2% per month, not to exceed 19% per annum. Owner/Customer agrees to indemnify the Contractor harmless from any costs or expenses incurred in the collection of the defaulted account, or in any part thereof, including all reasonable attorney fees, court cost, etc.

All services in Denver County subject to Denver County Tax



October 19, 2021

WORK ORDER #79588

**PROPOSAL FOR**

ROBERT GRAHAM  
SPECIAL DISTRICT MANAGEMENT SERVICES  
SOUTHLANDS MALL METRO  
E. COMMONS AVE. & S. AURORA PARKWAY  
AURORA, CO 80016

Thank you for allowing us to provide you a quote to perform the work we discussed. We will work out a schedule with you to complete the work once you sign and return this proposal. You may send it via email to [service@keesenlandscape.com](mailto:service@keesenlandscape.com) or fax it to (303) 761-3466. While we do not anticipate any changes to the total cost, Keesen Landscape Management, Inc. does reserve the right to review any proposal that is over 30 days old.

**DESCRIPTION OF WORK TO BE PERFORMED**

Turf Conversion per Irrigation Zone

Turf Zone Conversion:

Remove all turf and install 2 beds of 4-8 white Cobble in bands of 25' long.

2 Beds - Plantings for each beds of consisting of:

Dwarf Fountain grass - 5gal 12each

Red Prince Weigela - 5 gal 8 each

Ice Plants - 1gal 20each

Convert current spray zone to Drip zone - one per turf conversion area.

<b>Sale</b>	\$11,696.02
<b>Sales Tax</b>	\$0.00
<b>Total</b>	<b>\$11,696.02</b>

**SOUTHLANDS MALL METRO**

**WORK ORDER SUMMARY**

<b>INCLUDED SERVICES</b>	<b>SALES TAX</b>	<b>TOTAL COST</b>
Turf Conversion Per 100 foot Section	\$0.00	\$8,154.98
Plant Costs Per 100 foot section	\$0.00	\$3,541.04
	<b>\$0.00</b>	<b>\$11,696.02</b>

**Note: Unless otherwise specified, supplemental watering is not included in this proposal. If additional watering is necessary to protect plant material warranty, a separate proposal will be submitted.**

**Note: New plant material will be covered by a 1 year/1 replacement warrant. This does not cover any plant material not connected to working irrigation, owner negligence or circumstances beyond our control including freeze and rodent damage. This includes trees, shrubs and perennial plant material only.**

**Force Majeure and Delays**

**Landscape Contractor's installation and warranty obligations under this work order are accepted subject to strikes, labor troubles (including strikes or labor troubles affecting any suppliers of Landscape Contractor), floods, fires, acts of God, accidents, delays, shortages of equipment, contingencies of transportation, and other causes of like or different character beyond the control of the Landscape Contractor. Impossibility of performance by reason of any legislative, executive, or judicial act of any government authority shall excuse performance of or delay in performance of this work order.**

By \_\_\_\_\_

By \_\_\_\_\_

Date 10/19/2021  
\_\_\_\_\_

Date \_\_\_\_\_

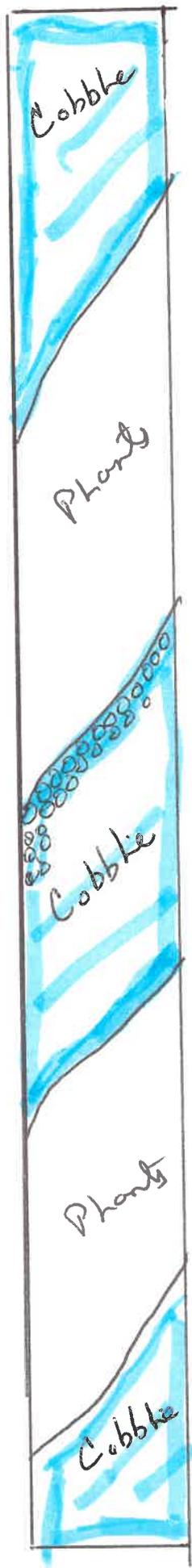
**Keesen Landscape Management,  
Inc.**

**SPECIAL DISTRICT  
MANAGEMENT SERVICES**

as Agent for

**SOUTHLANDS MALL METRO**

**Note: Unless otherwise specified in the work order, all required irrigation repairs/modifications will be done at a time and materials rate of \$68.00 per man hour.**



1 Zone is 10' x 100'

Cobble -

4" to 8" white  
Cobble

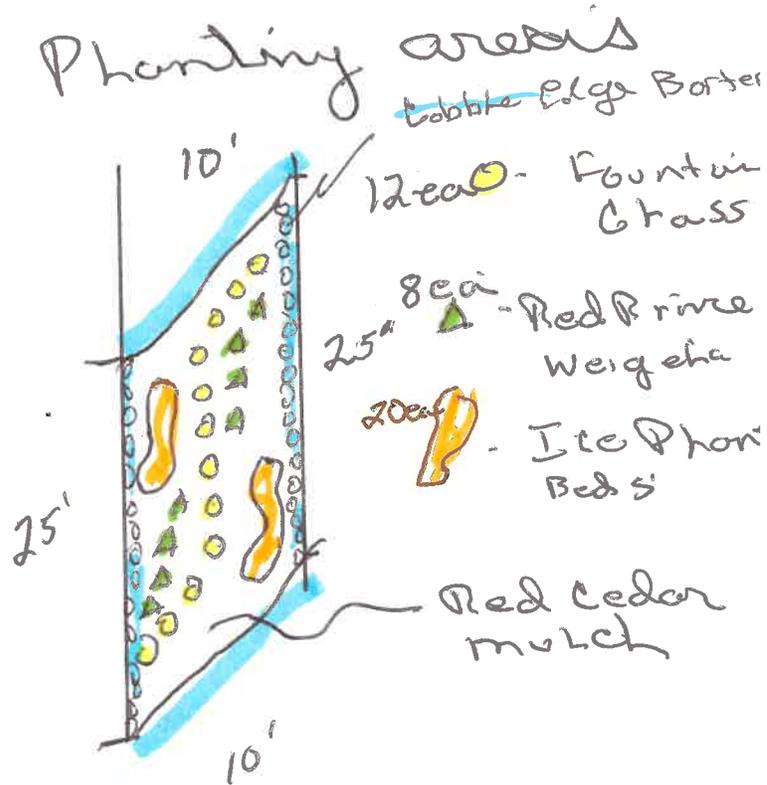
Plants:

Oriental Fountaine Grass

Weigela

Iceplants

Planting areas





rmplaygroundservices.com

# ROCKY MOUNTAIN PLAYGROUND SERVICES.

## SERVICE CONTRACT

Customer Name: Southlands Metro District (Special District Mgmt Services, Inc.)

Billing Address: 141 Union Blvd, Suite 150

City/State/Zip: Lakewood/CO/80228

Site Address: E. Applewood Dr. & E. Orchard Rd.

City/State/Zip: Aurora/CO/80016

Contact Name: Robert Graham

Phone #: (720) 270-9822

Email Address: rgraham@sdmsi.com

DATE FOR SERVICES TO BEGIN: Fall 2021

### Service Package

- 4 "Low Frequency" Inspections per Year @ **\$450.00 Per Inspection** (Total \$1,800 Per Year)

## **SERVICES TO BE PROVIDED BY ROCKY MOUNTAIN PLAYGROUND SERVICES.**

*\*(Herein referred to as "RMPS" or "Contractor")*

Depending on what service is requested (Audit/High Frequency/**Low Frequency**/Etc.), RMPS shall inspect and document the playground equipment and area 4 times per service year for a minimum of the following:

- The equipment has adequate protective surfacing under and around it and the surfacing materials have not deteriorated.
- There are no sharp points, corners or edges on the equipment.
- There are no missing or damaged protective caps or plugs.
- There are no trip hazards, such as exposed footings on anchoring devices and rocks, roots or any other obstacles in the play area.
- The equipment has no rust, rot, or cracks, especially in places where it comes in contact with the ground.
- There are no broken or missing components on the equipment (e.g. handrails, guardrails, protective barriers, steps or rungs on ladders).
- Check for any abnormal wearing of components
- There are no loose fastening devices, such as S-hooks on swings.
- The paint used on the playground equipment has not deteriorated as noted by peeling, cracking, chipping or chalking.
- All equipment is securely anchored.
- Site assessment for any direct safety concerns around the play area.
- There is no evidence of graffiti or vandalism on the playground.
- Safety Inspections will be conducted four times a year and will include an assessment of compliance with: ASTM F1487: Standard Consumer Safety Performance Specification for Playground Equipment and The United States Consumer Product Safety Commission Handbook for Public Playground Safety.
- A Complete inspection report, including any suggested repair/replacement of equipment or components and surfacing will be noted and provided to the property manager. A quote for repair/replacement services will be provided upon request from the property manager.

## **CONTRACT TERMS**

This Service Contract is by and between Rocky Mountain Playground Services, Ltd. and Southlands Metro District and is effective when signed and dated by both parties.

### **Term:**

This Service Contract shall be for a term of one year commencing at the date the Service Contract is signed and dated by both parties. The Service Contract will automatically renew for a 12 month term each year following the expiration of the initial one year term unless the Service Contract is terminated.

### **Termination:**

Either party may terminate the Service Contract with or without cause upon providing the other party 30 day written notice at the respective address stated herein. In the event of termination of this Service Contract, the Contractor will be compensated for the actual services performed to the Client's reasonable satisfaction as of the date of termination.

### **Notices:**

All notices, requests, demands, waivers, and other communications given as provided in this Service Contract will be in writing, and unless otherwise specifically provided in this Service Contract, will be deemed to have been given if delivered in person, or mailed by certified or registered mail, postage prepaid, and addressed to either party at the following addresses, unless either party changes its address by giving written notice to change to the other. The addresses for notice are:

Notice to Client:

Southlands Metro District  
% SDMS  
141 Union Blvd., Suite 150  
Lakewood, CO 80228

Notice to Contractor:

Rocky Mountain Playground Services, Ltd.  
c/o Keith Kroening  
720 Austin Ave.  
Erie, CO 80516

### **Qualifications:**

Contractor represents that it is fully qualified and licensed, to the extent necessary, to do business in the vicinity, has the requisite expertise, skill and capability to perform the services in the manner contemplated by this Service Contract, and that it shall maintain the requisite skilled employees and other workers, materials,

equipment and tools necessary to perform the Services as and when required under this Service Contract.

**Costs and Attorney Fees:**

In the event any action, suit or other proceeding is instituted to remedy, prevent or obtain relief from a breach of this agreement, or arising out of a breach of this agreement, the prevailing party shall recover all of such party's attorney fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions.

**Governing Law.**

The validity, meaning, and effect of this Service Contract will be determined pursuant to the law of the State of Colorado applicable to agreements made and to be performed in the State of Colorado.

**Successors and Assigns:**

This Service Contract shall insure to the benefit of and be binding upon any permitted successors and assigns of the parties hereto. This Service Contract shall not be assigned without the prior written consent of the other party.

**Modification:**

This Service Contract and any term as provided in this Service Contract may be modified, amended, discharged, changed, or waived only in writing signed by both parties.

**Entire Agreement:**

This Service Contract constitutes the entire agreement of the parties and supersedes all previous agreements, written or oral, between parties. No statement, promise, or inducement made by either party, or the agent of a party, either written or oral, which is not provided in this agreement is binding upon that party.

**Counterparts:**

This Service Contract may be signed in two or more counterparts, each of which will be deemed an original agreement, but all of which together will constitute one and the same document.

**Authority to Bind:**

Each party signing this contract represents it has full legal power, authority and right to execute, deliver, and perform its obligations under this contract and each party's performance hereunder and the transactions contemplated hereby have been duly authorized by all requisite actions on the part of such party and no remaining action is required to make this contract binding.

**Payment No Release:**

No payment under this agreement shall be deemed to operate as acceptance of services or admission that Contractor has satisfactorily performed the pertinent services.

**Independent Contractor:**

Contractor is an independent contractor and, as such, shall be responsible for compliance with the provisions of all applicable State and/or Federal Social Security, Unemployment Compensation, Workmen's Compensation, Sales and Use Tax, Withholding Tax and other tax laws now or hereafter in effect and shall pay all taxes, contributions and premiums required thereunder.

**Payment for services:**

As consideration for the services outlined in this contract, Client agrees to pay RMPS, within 30 days from the date of invoice for said services. Any payments which are not received by the stated terms will be charged a 2% per month late charge beginning from due date and continuing until paid in full. Any amount which becomes 60 days past due will force collections and the client will be responsible for any legal fees incurred or any other costs incurred in an attempt to collect the debt.

**Insurance & Liabilities:**

Contractor shall, in a manner satisfactorily to Client, maintain at its own expense insurance coverage including worker's compensation and employer's liability, comprehensive general liability, and any insurance coverage as may be required under Colorado law.

**Guarantee:**

Contractor agrees to perform all services in a workmanlike manner and will not perform services or act in any way which is illegal or violates any state guidelines or city or county ordinances.

By signing below, Client agrees to and understands all the terms and conditions outlined in this contract "Services to Be Provided" section and Client's date becomes the mutual execution date of the Service Contract.

**Rocky Mountain Playground Services:**

By: *Keith Kroening* Title: *Project Manager, CPSI*

Date: *9/20/2021*

**Southlands Metro District (SDMS):**

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

Date:\_\_\_\_\_

**INDEPENDENT CONTRACTOR AGREEMENT**  
**(UTILITY LOCATE SERVICES)**

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This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 10<sup>th</sup> day of November, 2021, to be effective January 1, 2022, by and between SOUTHLANDS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and DIVERSIFIED UNDERGROUND, INC., 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 January 1, 2022 and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (iii) December 31, 2022. Notwithstanding the foregoing, unless terminated pursuant to subsection (i) or (ii) above, or unless the District determines not to appropriate funds for this Agreement for the next succeeding year, this Agreement shall automatically renew on January 1 of each succeeding year for an additional one (1) year term.

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 10<sup>th</sup> of each month, 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 10<sup>th</sup> of each month may be processed the following month.

8. 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 27 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.

9. 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.**

10. 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.

The Contractor hereby states that it does not knowingly employ or contract with illegal aliens and that the Contractor has participated in or has attempted to participate in the E-Verify Program or Department Program (formerly known as the Basic Pilot Program) (as defined in §8-17.5-101, C.R.S.) in order to verify that it does not employ any illegal aliens. The Contractor affirmatively makes the follow declarations:

a. The Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated in this Agreement and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for Services contemplated in this Agreement.

b. The Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated in this Agreement.

c. The Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

d. The Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

e. If the Contractor obtains actual knowledge that a subcontractor performing the services under this Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required above the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

f. The Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation involving matters under this Section 10 that such Department is undertaking pursuant to the authority established in § 8-17.5-102, C.R.S.

g. If the Contractor violates a provision of this Agreement pursuant to which § 8-17.5-102, C.R.S., applies the District may terminate this Agreement upon three (3) days written notice to the Contractor. If this Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the District.

#### 11. 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.

12. 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.

13. 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.

14. 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 15, below.

15. 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 15 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 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. 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.

17. 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.

18. 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 19. 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.

19. 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 20 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.

20. 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 20 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. 2  
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 C. Waldron, Esq.  
Phone: (303) 858-1800  
E-mail: cwaldron@wbapc.com

Contractor: Diversified Underground, Inc.  
P.O. Box 460909  
Aurora, CO 80137  
Attention: Mark Allen  
Phone: (303) 636-9999

21. 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.

22. 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.

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

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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. 2, a quasi-municipal  
corporation and political subdivision of the  
State of Colorado

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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General Counsel for the District

*District's Signature Page to Independent Contractor Agreement for Utility Locate Services  
with Diversified Underground, Inc., dated November 10, 2021*



## EXHIBIT A

### SCOPE OF SERVICES/COMPENSATION SCHEDULE

#### **Scope of work:**

Diversified Underground Inc. shall provide and furnish at its own proper cost and expense all materials, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to provide services in accordance with the conditions and prices stated in the Services Agreement.

Client is a Tier One Member of The Utility Notification Center of Colorado (UNCC) and all "Request to Locate" tickets will be scheduled through UNCC. All Identifiable lines belonging to Client will be marked in a standard and normally acceptable method, as defined by UNCC and Senate Bill 00-184.

Upon receiving a Request, Diversified Underground Inc. will perform the actual locate verification within two working days. In the case of an after hours emergency request, Company will respond to locate within 2 hours or contact contractor whom called in ticket to ensure no excavation takes place prior to Company arrival.

#### **Project Assumptions:**

Parties agree that an accurate Locate will be eighteen inches (18") on either side of the mark, horizontally.

No liability will be assumed by Company for "un-locatable lines" or for "unavoidable damage." Un-locatable is defined as lines that are thought to exist but cannot be accurately located. Unavoidable damage is defined by a situation where the prints (As Built) would not show a line might exist; however, a line does exist and is subsequently damaged.

Company will be responsible for archiving tickets from UNCC

A ticket will include all hookups and sites necessary to identify the underground facilities within the dig, area but will not exceed 1000 feet. A ticket is defined using the currently accepted guidelines as presented by UNCC

#### **Services and Fees:**

Company will be responsible for locating the following utilities: **Irrigation Main lines and Site Lighting**

Company shall charge the following rates for utility locates to the client:

Screened Tickets not requiring a visit to site –5.00 Per Ticket  
Respond to and locate during normal business hours –\$65.00 per Ticket  
Respond and locate after hours as defined by UNCC - \$195.00 Per Ticket

Services performed by Company under this Agreement will be provided in a manner consistent with Industry standards. The Company shall provide the services for the Client at the pricing shown above. Client agrees to these prices and the terms of this Agreement by signing this Agreement.

**Special Notes:**

Client shall provide Company with current and up to date As Built information, and provide updated information as it becomes available.

During project, Company is under the guidance and direction of client. All project related direction will come from client.

Company will provide at Clients request limited access to Company's ticket management system.



**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 11 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. If applicable: Contractor shall secure and maintain a third party fidelity bond in favor of the District covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. 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,

**DIVERSIFIED UNDERGROUND, INC.**

is a

Corporation

formed or registered on 02/10/2000 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 20001028676 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 10/05/2021 that have been posted, and by documents delivered to this office electronically through 10/07/2021 @ 08:17:17 .

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 10/07/2021 @ 08:17:17 in accordance with applicable law. This certificate is assigned Confirmation Number 13494146 .



*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."*



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: August 31, 2021

RE: Notice of 2022 Rate Increase

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 (5.28%) 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.