

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

**CONCERNING THE IMPOSITION OF A GENERAL OPERATIONS FEE**

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WHEREAS, pursuant to an Order of the District Court in and for Arapahoe County, Colorado, the Southlands Metropolitan District No. 1 (the "District") was duly and validly organized and exists as a metropolitan district in accordance with Colorado law; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District owns and/or leases certain facilities and improvements throughout the District that it operates and maintains (collectively, the "Services"); and

WHEREAS, the District has previously incurred costs associated with providing the Services, as more fully set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Prior Costs"); and

WHEREAS, the District has ongoing administrative and operational costs and expenses associated with the Services (the "Maintenance Expenses"); and

WHEREAS, in order to supplement property tax revenues that are received by the District on an annual basis, the District desires to establish a General Operations Fee (the "Fee") in order to provide a source of revenues for the Prior Costs and the Maintenance Expenses; and

WHEREAS, the District finds that the Fee set forth herein is reasonably related to the Services and that imposition thereof is necessary and appropriate in order to provide the Services.

NOW, THEREFORE, be it resolved by the Board of Directors of the District as follows:

1. General Operations Fee. A General Operations Fee (the calculation of which is set forth in **Exhibit B**, attached hereto and incorporated herein by this reference) is hereby established and imposed to pay for the Maintenance Expenses.

2. Prior Costs. The Fee calculation for 2011 shall expressly include the Prior Costs as Maintenance Expenses incurred in 2011.

3. Late Fees and Penalty Interest. Any Fee that is not paid in full within Fifteen (15) days after the scheduled due date shall be assessed a late fee of Fifteen Dollars (\$15.00) or up to five percent per month, or fraction thereof, not to exceed a total of twenty-five percent of the amount due, pursuant to § 29-1-1102(3), C.R.S. Interest will also accrue on any outstanding

Fee, exclusive of assessed late fees and interest, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S.

4. Payment. Payment for all Fees, interest, and delinquency charges shall be made payable to “Southlands Metropolitan District No. 1” and sent to the following address, on or before the due date: Southlands Metropolitan District No. 1, 8390 East Crescent Parkway, Suite 600, Greenwood Village, CO 80111. The District may, at its discretion, provide notice to the Property of an alternative mailing address from time to time without the necessity of amendment to this Resolution.

5. Fees Constitute Lien. The Fees imposed hereunder each shall, until paid, constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanic’s liens, pursuant to § 32-1-1001(1)(j), C.R.S.

6. Collection Procedures. The District shall undertake collection efforts for any amounts outstanding, including late Fees, interest, delinquency charges, and costs of collection, in accordance with the District’s Collections Resolution and in accordance with Federal and Colorado law.

7. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction or by operation of any law to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

8. The Property. This Resolution shall apply to all property within the District’s boundaries, as set forth in **Exhibit C**, attached hereto and incorporated herein by this reference, and any additional property included into the District after the date of this Resolution (the “Property”).

9. Effective Date. This Resolution shall become effective as of July 1, 2011.

*Signature page follows*

APPROVED and ADOPTED this 4<sup>th</sup> day of May, 2011.

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



\_\_\_\_\_  
President

ATTEST:



\_\_\_\_\_  
Secretary

*Signature page to Resolution of Southlands Metropolitan District No. 1 - Concerning the  
Imposition of a General Operations Fee*

**EXHIBIT A**  
**Prior Costs**

Southlands Metropolitan District #1											
Statement of Revenue and Expenditures											
For the Twelve Months Ended December 31, 2010											
	Annual Budget	YTD Actual	Variance	YTD Actual	Apply Property Taxes	Apply Spec Own Tax	Apply Tornado Excess	Receivable from Declarant	Revised YTD Actual	100.00%	Total SF*
Revenues:											* Excludes Vacant Lots of approx. 320,722 sq ft
Property Taxes	216,800	194,068	(22,732)	194,068	194,068						
Specific Ownership Tax	15,180	13,909	(1,271)	13,909	13,909						
Interest Income	-	538	538	538							
Charges for Services	1,863,000	1,915,997	52,997	1,915,997							1,699,385
Insurance Proceeds - Tornado	-	40,303	40,303	40,303			40,303				
<b>Total Revenue:</b>	<b>2,094,980</b>	<b>2,164,815</b>	<b>69,835</b>	<b>2,164,815</b>	<b>194,068</b>	<b>13,909</b>	<b>40,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,699,385</b>
Expenditures:											
Accounting	40,000	27,803	12,197	27,803	(27,803)						
Auditing	5,000	4,664	336	4,664	(4,664)						
County Treasurers Fee	3,250	2,917	333	2,917	(2,917)						
Election	1,000	1,998	(998)	1,998	(1,998)						
Security	35,000	22,048	12,952	22,048				22,048			21,712
Insurance and Bonds	15,000	13,666	1,314	13,666	(13,666)						
Monthly Cleaning	222,320	229,434	(7,114)	229,434	(33,465)			17,943	201,049		197,984
Landscape Maintenance	187,065	139,894	47,171	139,894				13,708	153,602		151,261
Repairs and Maintenance	189,910	196,136	(6,226)	196,136					196,136		193,146
Utilities/Water	150,000	216,357	(66,357)	216,357					216,357		213,059
Floral	194,500	194,500	-	194,500					194,500		191,535
Street Lighting/Striping	88,028	83,712	(4,316)	83,712				8,203	91,915		90,514
District Management	35,000	52,685	(17,685)	52,685	(52,685)				96,000		94,537
Property Management	96,000	96,000	-	96,000					-		-
Legal Services	30,000	55,613	(25,613)	55,613	(55,613)				-		-
Street Sweeping	24,960	25,130	(170)	25,130					25,130		24,747
Signage & Décor	52,760	63,866	(11,106)	63,866					63,866		51,229
Dues and Memberships	500	1,237	(737)	1,237	(1,237)						
Miscellaneous	500	1,046	(546)	1,046		(1,046)					
Snow Removal	550,000	307,260	242,740	307,260				123,187	430,447		423,866
Tornado Damage	-	61,117	(61,117)	61,117			(40,303)		20,814		20,497
Contingency	40,000	-	40,000	-					-		-
Traffic & Safety Controls	-	115,000	(115,000)	115,000					115,000		113,247
<b>Total Expenditures</b>	<b>1,940,793</b>	<b>1,912,103</b>	<b>28,690</b>	<b>1,912,103</b>	<b>(194,068)</b>	<b>(13,909)</b>	<b>(40,303)</b>	<b>163,041</b>	<b>1,826,864</b>	<b>-</b>	<b>1,787,353</b>
<b>Net Income/(Loss)</b>	<b>154,187</b>	<b>252,712</b>	<b>98,525</b>	<b>252,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,041</b>	<b>1,826,864</b>	<b>-</b>	<b>(87,968)</b>
											Due To Owner / (District) >>

## **EXHIBIT B**

### **General Operations Fee Calculation**

*Unless otherwise defined herein, capitalized terms used herein shall have the meanings given them in the Master Declaration of Easements, Covenants, Conditions and Restrictions, dated June 2, 2004, and recorded in the real property records of Arapahoe County, Colorado at Reception # B4112093.*

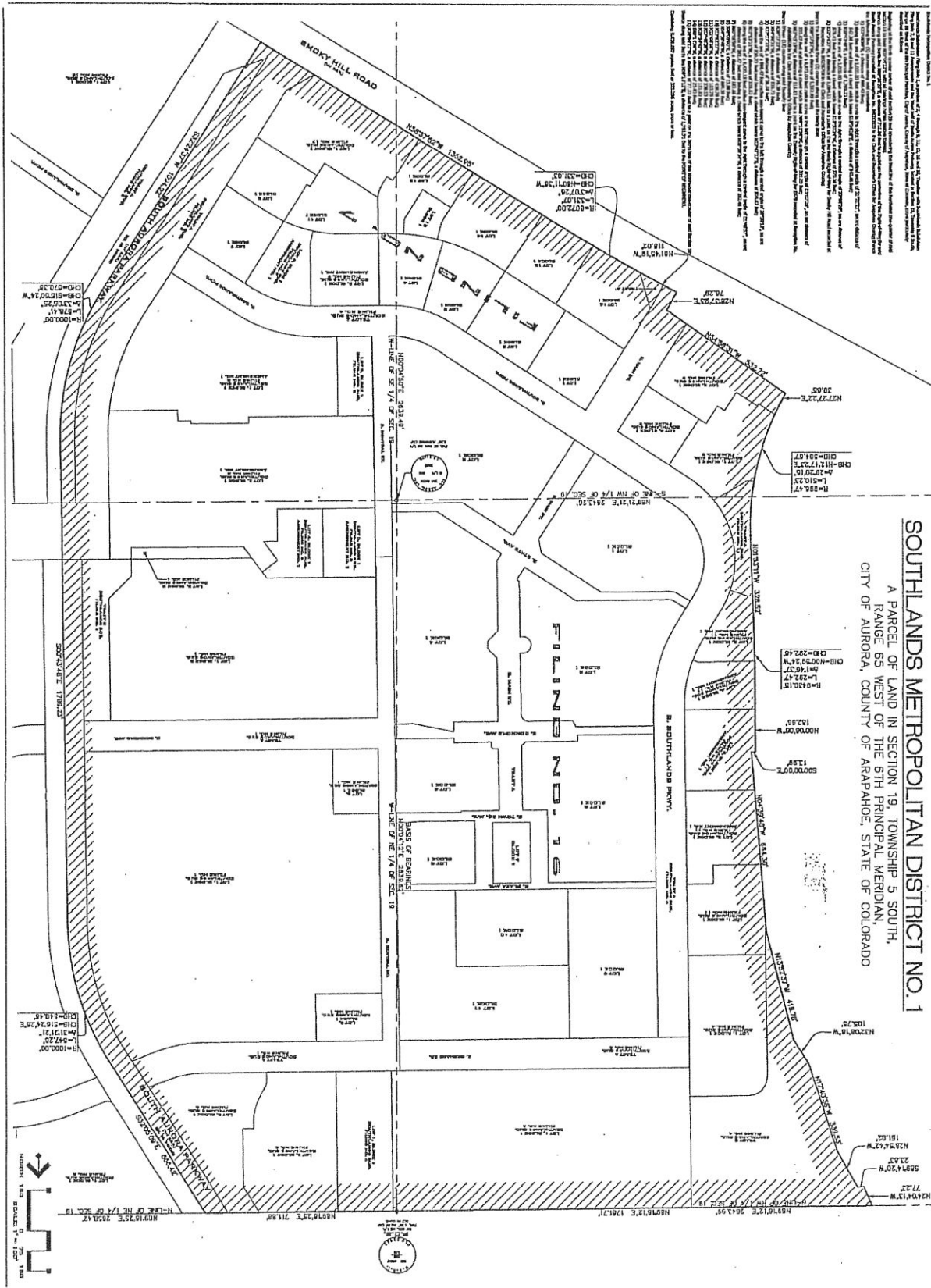
The General Operations Fee on each subject Property shall be due and payable in monthly installments, upon the first day of each month, commencing upon the first day of the first month following the date on which construction is commenced upon such Property (the "Constructed Property"). (For the purposes of this section, construction shall be deemed to be commenced at such time that the subject Property Owner or Occupant begins site preparation and/or the foundation and/or footings work for the Building to be constructed on its Property.) Each Property Owner or Occupant shall notify the District, in writing, of the date construction is commenced upon its Property, which notification shall be given within ten (10) days of the construction commencement date. Such notification shall be in recordable form, and may be recorded against the subject Property by either the District or the Property Owner or Occupant. The General Operations Fee shall be collected on the basis of a calendar year; accordingly, unless a Property Owner's or Occupant's obligation to pay the General Operations Fee commences on January 1 of any given year, the General Operations Fee to be paid by any Property Owner or Occupant in the year in which the obligation to pay commences shall be prorated on the basis of the number of days remaining in the then-current calendar year.

The annual General Operations Fee to be charged against each Property Owner or Occupant for each year shall be equal to such Property Owner's or Occupant's "Proportionate Share" of all of the Maintenance Expenses incurred by District in such year, defined as follows.

(i) Each Property Owner's or Occupant's "Proportionate Share" of such Maintenance Expenses in any year shall be calculated by multiplying (x) all such Maintenance Expenses incurred in such year by (y) a fraction, the numerator of which shall be the square footage of such Property Owner's Property and the denominator of which shall be the total of the square footage of all Constructed Property within (i) the Value Retail District, (ii) the High Visibility District, (iii) the Large Format District, and (iv) the Life-style/Entertainment District (excluding, the Detention Pond, any dedicated areas or any areas subject to a Project Area Lease, or any roads, streets, highways or rights of way, including without limitation the Project Roads).

(ii) For each year, the District shall advise each Property Owner or Occupant, during or after the subject year, of the total amount of the Maintenance Expenses incurred in such year, together with the Proportionate Share thereof (and the General Operations Fee for such year) attributable to each such Property Owner or Occupant. Any monthly installments of a Property Owner's or Occupant's General Operations Fee that become due and payable prior to the date on which such Property Owner or Occupant is advised by the District as to the amount of such General Operations Fee for such year shall be based upon the District's reasonable estimate of the General Operations Fee for such year or, in the absence of such estimate, upon the General Operations Fee payable by such Property Owner or Occupant for the immediately prior year (or which would have been payable for the immediately preceding year, had the Property Owner or Occupant been obligated to pay such General Operations Fee); provided, however, that there shall be an adjustment if the amount paid by any Property Owner or Occupant during any year differs from the actual amount of such Property Owner's or Occupant's General Operations Fee for such year, calculated as provided above. Any amount due the District or any amount due a Property Owner or Occupant pursuant to such adjustment shall be paid to the District or credited to such Property Owner's or Occupant's account, as the case may be, at the time that the next monthly installment of such Property Owner's or Occupant's General Operations Fee is due and payable to the District.

**EXHIBIT C**  
Boundaries of Southlands Metropolitan District No. 1



**SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

A PARCEL OF LAND IN SECTION 19, TOWNSHIP 5 SOUTH,  
RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN,  
CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO

THIS PLAT MAP WAS PREPARED BY THE DISTRICT BOARD OF SOUTH LANDS METROPOLITAN DISTRICT NO. 1, A DISTRICT ORGANIZED UNDER THE DISTRICT ACTS OF THE STATE OF COLORADO, AND IS SUBJECT TO THE APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF ARAPAHOE COUNTY, COLORADO, AND THE CITY OF AURORA, COLORADO. THE DISTRICT BOARD OF SOUTH LANDS METROPOLITAN DISTRICT NO. 1 IS A DISTRICT ORGANIZED UNDER THE DISTRICT ACTS OF THE STATE OF COLORADO, AND IS SUBJECT TO THE APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF ARAPAHOE COUNTY, COLORADO, AND THE CITY OF AURORA, COLORADO. THE DISTRICT BOARD OF SOUTH LANDS METROPOLITAN DISTRICT NO. 1 IS A DISTRICT ORGANIZED UNDER THE DISTRICT ACTS OF THE STATE OF COLORADO, AND IS SUBJECT TO THE APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF ARAPAHOE COUNTY, COLORADO, AND THE CITY OF AURORA, COLORADO.

THESE PLANS ARE INSTRUMENTS OF PROFESSIONAL SERVICE AND ARE PROTECTED BY COMMON LAW, STATUTORY AND OTHER RESERVED RIGHTS INCLUDING COPYRIGHT. THEY MAY NOT BE REPRODUCED OR USED FOR ANY PURPOSES WITHOUT THE WRITTEN CONSENT OF GSI ASSOCIATES, INC.

**DISTRICT BOUNDARY MAP**  
**SOUTHLANDS METROPOLITAN**  
**DISTRICT NO. 1**  
E. 72ND AND SMOKY HILL RD  
AURORA, COLORADO

DATE	DESCRIPTION
01/10/10	ORIGINAL PREPARATION

**DISTRICT NO. 1 EXHIBIT**

**SHEET 1**