

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD JANUARY 8, 2019

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the Southlands Metropolitan District No. 1 (referred to hereafter as "District") was convened on Tuesday, the 8th day of January, 2019, at 9:00 A.M., at the Southlands Shopping Center, Management Office, 6155 S. Main Street, #260, Aurora, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kevin McGlynn
Joyce Rocha
Michael Sandhoff
Martin Liles

Also In Attendance Were:

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

Clint Waldron, Esq.; White Bear Ankele Tanaka & Waldron P.C.

Thuy Dam; CliftonLarsonAllen, LLP

April Elliott; M & J Wilkow (for a portion of the meeting)

Laurie Stein and David Eisen; M & J Wilkow (via speakerphone)

Larry Jacobson; Developer of the Pronghorn Valley Project (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: Ms. Finn noted that a quorum was present. Mr. Waldron advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Waldron reported that disclosures for those directors with 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. Mr. Waldron asked the Board whether members of the Board had any additional disclosures of potential or

RECORD OF PROCEEDINGS

existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Director McGlynn noted that he serves on the Board of Directors of Southlands Metropolitan District No. 2.

ADMINISTRATIVE MATTERS

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

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

Insurance Coverage Deductible Options: The Board discussed insurance coverage deductible options.

Following discussion, upon motion duly made by Director Liles, seconded by Director McGlynn and, upon vote, unanimously carried, the Board approved increasing the deductible from \$1,000 to \$5,000.

PUBLIC COMMENTS

There were no public comments at this time.

FINANCIAL MATTERS

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

Fund	Period Ending Dec. 20, 2018
General	\$ 302,163.60
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 302,163.60

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

Cash Position Schedule: Ms. Dam reviewed with the Board the District's Cash Position Schedule, dated October 31, 2018, updated December 27, 2018.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Liles, seconded by Director McGlynn and, upon vote, unanimously carried, the Board accepted the District's Cash Position Schedule, dated October 31, 2018, updated December 27, 2018.

Imposition of Operations Fees and Reconciliation: The Board enter into discussion regarding the imposition of operations fees on Walmart and Sam's Club for holiday lighting and décor. It was noted that Walmart and Sam's Club have not paid for these costs in the past. Following discussion, the District determined to bill Walmart and Sam's Club for holiday lighting and décor for 2018 and future expenses.

LEGAL MATTERS

Request from Pronghorn Valley Development concerning the Street Connection: Mr. Jacobson discussed with the Board the status of the Pronghorn Valley Project. The following topics were discussed:

- Results of the traffic study.
- Current traffic count.
- Current road maintenance budget and contracts.
- The need for an Intergovernmental Agreement.
- ISP- site plans in Spring.

Following discussion, the Board determined it would need to assess the costs associated with the street extension and negotiate an IGA between the two districts.

Public Art Requirements: The Board discussed Pubic Art Requirements. No action was taken by the Board at this time.

Potential Sale of Tract A, Filing No. 22: Attorney Waldron noted for the Board that an appraisal for the potential sale of Tract A, Filing No. 22 would cost approximately \$1,500.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Sandhoff and, upon vote, unanimously carried, the Board authorized moving forward with the appraisal for the potential sale of Tract A, Filing No. 22.

CAPITAL IMPROVEMENT

Site Lighting Improvements: The Board discussed site lighting improvements. It was noted that the controllers should be an equally shared cost between the District and M & J Wilkow.

RECORD OF PROCEEDINGS

Director McGlynn left the meeting.

OPERATIONS AND MAINTENANCE

Award Independent Contractor Award (“ICA”) for General Maintenance Services: The Board reviewed the bids for General Maintenance Services. Ms. Finn noted that there was one bid from M & J Wilkow for \$112,034.88 for 2019 and for \$115,395.96 for 2020-2021.

Following discussion, upon motion duly made by Director Sandhoff, seconded by Director Rocha and, upon vote, carried with Directors Sandhoff and Rocha voting “Yes” and Director Liles abstaining, the Board approved the bid from M & J Wilkow for \$112,034.88 for 2019 and for \$115,395.96 for 2020-2021.

Director McGlynn returned to the meeting.

2019 Operation and Maintenance Services and Award and ICA: The Board discussed 2019 Operation and Maintenance Services.

Landscape Maintenance Services: Ms. Finn noted that Mr. Cordova is currently bidding landscape maintenance services and noted the bids will be available at the February 12, 2019 Board meeting.

Floral Program: Ms. Finn noted that Mr. Cordova is currently bidding the Floral Program and noted the bids will be available at the February 12, 2019 Board meeting.

Common Areas Cleaning Services: Ms. Finn noted that proposals would be solicited from Millard Mall Services, Inc., ABM Janitorial Services, and Global Management Services, LLC for consideration at the February 12, 2019 Board meeting.

Security Services: The Board discussed extending the ICA with Securitas, Inc. for security services in 2019.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Sandhoff and, upon vote, unanimously carried, the Board approved extending the ICA with Securitas, Inc., subject to Securitas, Inc. agreeing to provide written reports on an ongoing basis.

Site Lighting Services: Ms. Finn noted that a scope of services for the IGA is being drafted. She also noted that Mr. Cordova is meeting with Skye Bailey and Contractor to verify the work to be completed in the Scope of Services.

RECORD OF PROCEEDINGS

Property Management Services with Special District Management Services, Inc. ("SDMS"): Ms. Finn distributed for the Board's review a proposal for property management services from SDMS.

Following review and discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the Board approved the proposal from SDMS, Inc. for property management services, in the amount of \$40,000 per year for a three year contract.

ICA between the District and Common Area Maintenance Services, LLC for 2019 Street Sweeping Services: The Board reviewed a proposal from Common Area Maintenance Services, Inc. for 2019 street sweeping services.

Following discussion, upon motion duly made by Director McGlynn, seconded by Director Sandhoff and, upon vote, unanimously carried, the Board approved the ICA between the District and Common Area Maintenance Services, Inc. for 2019 street sweeping services.

ICA between the District and Slaton Bros, Inc. for Retaining Wall Repair Work: The Board determined to defer moving forward with the work at this time.

OTHER MATTERS

Consideration of Board Appointment After Publication of Notice of Vacancy: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on December 27, 2018 in the Aurora Sentinel. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, following discussion and upon motion duly made by Director McGlynn, seconded by Director Rocha to nominate April Elliott to fill a vacant position of the Board of Director, and upon vote, unanimously carried, the Board appointed April Elliott to fill the vacancy on the Board of Directors. The Oath of Director was administered.

RECORD OF PROCEEDINGS

Appointment of Officers: Following discussion, upon motion duly made by Director McGlynn, seconded by Director Rocha and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Martin Liles
Vice President	Kevin McGlynn
Treasurer	Michael Sandhoff
Secretary	Joyce Rocha
Assistant Secretary	April Elliott

Email regarding New Cell Site Design Project: It was noted that an email was received regarding a new cell site design at the intersection of East Commons Ave. and South Aurora Pkwy. No action was taken by the Board.

ADJOURNMENT

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

Respectfully submitted,


By  _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL JANUARY 8, 2019
MINUTES OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1
BY THE BOARD OF DIRECTORS SIGNING BELOW:



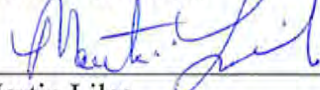
Kevin McGlynn



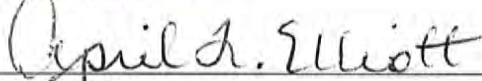
Joyce Rocha



Michael Sandhoff



Martin Liles



April Elliott