

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
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NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Martin Liles	President	2022/May 2020
Skye Bailey	Vice President	2020/May 2020
Michael Sandhoff	Treasurer	2022/May 2022
Joyce Rocha	Secretary	2020/May 2020
April Elliott	Assistant Secretary	2022/May 2020

DATE: July 16, 2019

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.

B. Approve Agenda, and confirm location of the meeting and posting of meeting notices and designate 24-hour posting location.

C. Review and approve Minutes of the April 16, 2019 regular meeting (enclosure).

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.

III. FINANCIAL MATTERS

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

Fund	Period Ending June 27, 2019
General	\$ 124,020.84
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total Claims	\$ 124,020.84

- B. Review and accept unaudited financial statements for the period ending May 31, 2019, Schedule of Cash Position dated May 31, 2019, updated July 9, 2019, and Operations Fee Report (enclosure).

IV. LEGAL MATTERS

- A. Discuss Legislative Update (enclosure).

- B. Discuss status of litigation with Ridgeline, CM, LLC.

- C. Discuss the “No-Build” Easement for Tract A, Filing No. 22.

- D. Discuss status of negotiations with Pronghorn Valley Development for cost-sharing of maintenance expenses.

1. Consider approval of Temporary Access and Construction Easement Agreement (Gun Club Group Partners) (enclosure).

2. Consider approval of Expanded Utility and Public Easement (enclosure).

V. OPERATIONS AND MAINTENANCE

- A. Maintenance Report (M & J Wilkow).

1. Asphalt repair work.

2. Striping.

3. Repair work from snow removal service (Metco).

4. Parking stops.

5. Tree replacements.

- B. Property Management Report (SDMS).

- C. Discuss status of the 2018 Median Project.

- D. Consider approval of IGA between the District and Full Spectrum Lighting, Inc.

- E. Discuss common area cleaning services for the District.

- F. Consider approval of an ICA between the District and Dewberry | J3 for engineering services (enclosures).

1. Proposal.

VI. CAPITAL IMPROVEMENTS

- A. Discuss status of walk-through with contractors concerning warranty work for the Sidewalk Renovation Project.

- B. Discuss status of the Capital Improvement Plan.

- C. Discuss status of permit fees from Comcast.

VII. OTHER MATTERS

- A.

VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
AUGUST 20, 2019.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD JUNE 10, 2019

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 Monday, the 10th day of June, 2019, 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.

ATTENDANCE

Directors In Attendance Were:

Martin Liles
Michael Sandhoff
April Elliott

Following discussion, upon motion duly made by Director Elliott, seconded by Director Liles and, upon vote, unanimously carried, the absence of Director Rocha was excused.

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 Brittany Superchi; CliftonLarsonAllen, LLP

Skye Bailey; M & J Wilkow

Laurie Stein; M & J Wilkow (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. Attorney Waldron advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Attorney 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. Attorney Waldron asked the Board whether

RECORD OF PROCEEDINGS

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 Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn 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 Liles and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the April 16, 2019 regular meeting.

Following discussion, upon motion duly made by Director Lyles, seconded by Director Elliott and, upon vote, unanimously carried, the Minutes of the April 16, 2019 regular meeting was approved, as presented.

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 April 4, 2019 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 Liles, seconded by Director Elliott, the Board appointed Skye Bailey to fill the vacancy on the Board of Directors and to the Vice President position. The Oath of Office was administered.

Insurance Coverage: Ms. Finn discussed insuring the District's flowers with the Board. It was noted that the hanging baskets are currently covered. No action was taken by the Board.

Cancellation of Regular Meeting: The Board discussed cancelling the June 18, 2019 regular meeting. Following discussion, the Board determined to cancel the June 18, 2019 regular meeting.

PUBLIC COMMENTS There were no public comments at this time.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

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

Fund	Period Ending April 24, 2019	Period Ending May 30, 2019
General	\$ 374,206.50	\$ 146,283.52
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total Claims	\$ 374,206.50	\$ 146,283.52

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

Ms. Dam conducted a Bill.com tutorial for the Board.

Financial Statements: Ms. Superchi reviewed with the Board the unaudited financial statements for the period ending March 31, 2019, the Schedule of Cash Position dated April 30, 2019, updated June 7, 2019, and the Operations Fee Report.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2019, the Schedule of Cash Position dated April 30, 2019, updated June 7, 2019, and the Operations Fee Report.

2018 Audit: The Board entered into discussion regarding the audited financial statements of the District for the year ended December 31, 2018.

Following discussion, upon motion duly made by Director Liles, seconded by Director Sandhoff and, upon vote, unanimously carried, the Board approved the audited financial statements of the District for the year ended December 31, 2018, subject to final review by Attorney Waldron and receipt of an unmodified opinion letter from the District's auditor, and authorized execution of the Representations Letter.

LEGAL MATTERS

Litigation with Ridgeline CM, LLC: Attorney Waldron reported to the Board that the District is waiting for a ruling from the court. No action was taken by the Board at this time.

RECORD OF PROCEEDINGS

Status of Payment of Fees from Xcel Energy for the Temporary Construction Easement (Pulling Site): Ms. Finn noted for the Board that the \$10,000 payment has been received from Xcel Energy.

Status of “No-Build” Easement for Tract A, Filing No. 22: The Board deferred discussion.

Negotiations with Pronghorn Valley Development: The Board entered into discussion regarding the status of negotiations with Pronghorn Valley Development for cost sharing of maintenance expenses for roadways. It was noted that negotiations are ongoing.

License and Temporary Construction Easement Agreement with Comcast: The Board entered into discussion regarding the work to be performed on District property and the permit fee of \$1,000 per day during construction. Attorney Waldron noted that a license and/or easement agreement would not be necessary, as the construction is in an existing utility easement.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the permit, subject to receipt of the permit fee.

HB19-1087 – Local Public Meeting Notices Posted on Website: Attorney Waldron reviewed with the Board House Bill 19-1087 – Local Public Meeting Notices Posted on Website.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board authorized online posting of meeting notices.

OPERATIONS AND MAINTENANCE

M & J Wilkow’s Maintenance Report: There was no maintenance report presented at this time.

Property Management Report (SDMS):

Detention Pond Maintenance Work: Ms. Finn noted for the Board that trash needs to be removed from the Sam’s detention pond, per the ICA with Metco Landscape, Inc.

RECORD OF PROCEEDINGS

Metco Landscape, Inc. Snow Removal: The Board instructed Ms. Finn not to release payment to Metco Landscape, Inc. for snow removal services until the repair work for damages to District property from snow removal services has been completed.

Notice of Termination to Securitas Security Services USA, Inc.: The Board reviewed ratifying the Notice of Termination of the Independent Contract or Agreement between the District and Securitas Security Services USA, Inc. for 2019 Security Services.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board ratified termination of the Independent Contract or Agreement between the District and Securitas Security Services USA, Inc. for 2019 Security Services, effective June 1, 2019.

Independent Contractor Agreement (“ICA”) between the District and Universal Protection Services, LP DBA Allied Universal Security Services: The Board reviewed an ICA between the District and Universal Protection Services, LP DBA Allied Universal Security Services for security services.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board ratified approval of the ICA between the District and Universal Protection Services, LP DBA Allied Universal Security Services for security services, effective June 15, 2019, in an amount not to exceed \$75,000.

ICA between the District and Dewberry|J3: The Board reviewed a proposal from Dewberry|J3 for engineering services.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved the ICA between the District and Dewberry|J3 for engineering services (preliminary investigation and assessment of services required to support the repair and recertification of existing detention ponds, as well as landscape median renovations).

ICA between the District and Full Spectrum Lighting, Inc.: The Board discussed entering into an ICA between the District and Full Spectrum Lighting, Inc.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved an ICA between the District and Full Spectrum Lighting, Inc. for site lighting services.

Permit for South Metro Water Supply Authority: Attorney Waldron discussed with the Board a Request for Permission to Enter Property from the South Metro Water Supply Authority.

Following discussion, upon motion duly made by Director Liles, seconded by Director Sandhoff and, upon vote, unanimously carried, the Board ratified approval of the Request for Permission to Enter Property from the South Metro Water Supply Authority.

Proposals for Asphalt Paving: Director Bailey reviewed with the Board proposals from PLM RME and Front Range Asphalt Maintenance, Inc. for asphalt repair work.

Following discussion, upon motion duly made by Director Sandhoff, seconded by Director Liles and, upon vote, unanimously carried, the Board approved an ICA with Front Range Asphalt Maintenance, Inc., subject to the President's final approval of the scope of services for asphalt repair work, in the amount of \$23,417.

Dead Tree Replacement: The Board deferred discussion.

CAPITAL IMPROVEMENTS

Sidewalk Renovation Project Walk-Through with Contractors: Director Bailey noted the final walk-through has been completed and he is working with the contractor on scheduling the work.

Status of the Capital Improvement Plan: President Liles noted for the Board that the design work is underway and discussed a possible start date of August 15, 2019 to begin construction.

OTHER MATTERS

License Agreement with Buffalo Wild Wings: The Board entered into discussion regarding a possible License Agreement with Buffalo Wild Wings for the easement of the patio on District property. No action was taken at this time.

RECORD OF PROCEEDINGS

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

Southlands Metropolitan District No. 1
June Claims

<u>Process Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Payment Method</u>	<u>Amount</u>
6/27/2019	Brody Chemical	467593	Bill.com Check	\$ 104.99
6/27/2019	City of Aurora	6302	EFT	140.15
6/27/2019	City of Aurora	Multiple	EFT	14,833.99
6/27/2019	CliftonLarsonAllen LLP	2170719	Bill.com Check	7,037.15
6/27/2019	Common Area Maintenance Services	MO6012167	Bill.com Check	1,905.00
6/27/2019	Diversified Underground, Inc	20388	Bill.com Check	75.00
6/27/2019	Full Spectrum Lighting, Inc	Multiple	Bill.com Check	7,746.00
6/27/2019	M & J Wilkow Properties, LLC	17136	Bill.com Check	9,336.24
6/27/2019	Metco Landscape, Inc	Multiple	Bill.com Check	38,926.70
6/27/2019	Millard Mall Services	75378	Bill.com Check	16,342.40
6/27/2019	Securitas Security Services USA, Inc	w6451412	Bill.com Check	4,839.90
6/27/2019	Special District Management Services, Inc.	Multiple	Bill.com EFT	6,044.11
6/27/2019	Utility Notification Center of Colorado	219050982	Bill.com Check	18.46
6/27/2019	Western Proscapes	52359	Bill.com Check	12,009.16
6/27/2019	White, Bear & Ankele PC	5424	Bill.com Check	2,618.88
6/27/2019	Xcel Energy	638021617	EFT	2,042.71
	Total			<u>\$ 124,020.84</u>

SOUTHLANDS METROPOLITAN DISTRICT NO.1

FINANCIAL STATEMENTS

MAY 31, 2019

DRAFT



CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Southlands Metropolitan District No.1
Arapahoe County, Colorado

Management is responsible for the accompanying financial statements of Southlands Metropolitan District No.1, which comprise the balance sheet - governmental funds as of May 31, 2019, and the related statement of revenues, expenditures, and changes in fund balance - actual for the period from January 01, 2019 through May 31, 2019 for the General Fund and Special Revenue Fund in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the accompanying financial forecasted budget, which comprises the statement of revenues, expenditures, and changes in fund balance - budget for the year then ending for the General Fund and Special Revenue Fund, and the related summary of significant assumptions in accordance with guidelines for the presentation of financial forecast established by the American Institute of Certified Public Accountants. We have performed compilation engagements in accordance with Statements of Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit, examine, or review the historical financial statements or the financial forecasted budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these historical financial statements and this financial forecasted budget.

The forecasted budget results may not be achieved as there will usually be differences between the forecasted budget and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit the management's discussion and analysis, the government-wide financial statements, the statement of revenues, expenditures and changes in fund balance - governmental funds, and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the historical financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the historical financial statements are not designed for those who are not informed about such matters.

The supplementary information and the supplementary financial forecasted budget information are presented for additional analysis and are not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however we have not audited, examined, or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on the supplementary historical information and the supplementary budget information.

We are not independent with respect to Southlands Metropolitan District No.1.

Greenwood Village, CO
July 10, 2019

SOUTHLANDS METROPOLITAN DISTRICT NO.1
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2019

	General	General Operations Fee	Debt Service	Capital Projects	Total
ASSETS					
Cash - Checking	\$ 36,135	\$ 651,704	\$ -	\$ 16,555	\$ 704,394
Colotrust	1,261,201	507,577	3,113	-	1,771,891
UMB Series 2017 A-1 Bond Fund	-	-	2,317,831	-	2,317,831
UMB Series 2017 A-2 Bond Fund	-	-	248,248	-	248,248
General Operations Fee receivable	-	7,952	-	-	7,952
UMB Series 2017 A-1 Reserve Fund	-	-	1,697,785	-	1,697,785
UMB Series 2017 A-2 Reserve Fund	-	-	150,652	-	150,652
UMB Series 2017 A-2 Project Fund	-	-	-	85,036	85,036
Receivable from County Treasurer	20,339	-	109,623	-	129,962
TOTAL ASSETS	\$ 1,317,675	\$ 1,167,233	\$ 4,527,252	\$ 101,591	\$ 7,113,751
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ 12,777	\$ 254,508	\$ -	\$ -	\$ 267,285
Unearned General Operations Fee	-	128,249	-	-	128,249
Street connection escrow	5,584	-	-	-	5,584
Total Liabilities	18,361	382,757	-	-	401,118
FUND BALANCES					
Total Fund Balances	1,299,314	784,476	4,527,252	101,591	6,712,633
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,317,675	\$ 1,167,233	\$ 4,527,252	\$ 101,591	\$ 7,113,751

These financial statements should be read only in connection with the accompanying accountant's compilation report.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2019

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 5,000	\$ 13,564	\$ 8,564
Permits and fees	-	10,000	10,000
Property taxes	481,462	402,395	(79,067)
Specific ownership tax	28,888	15,037	(13,851)
TOTAL REVENUES	<u>515,350</u>	<u>440,996</u>	<u>(74,354)</u>
EXPENDITURES			
Accounting	60,000	25,711	34,289
Auditing	6,000	-	6,000
Billing services	9,000	4,297	4,703
Contingency	13,298	-	13,298
County Treasurer's fee	7,202	6,036	1,166
Directors' fees	-	2,300	(2,300)
District management	60,000	31,454	28,546
Dues and licenses	1,500	1,238	262
Insurance and bonds	45,000	27,146	17,854
Legal services	35,000	42,049	(7,049)
Miscellaneous	1,000	193	807
Public Events	30,000	-	30,000
TOTAL EXPENDITURES	<u>268,000</u>	<u>140,424</u>	<u>127,576</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	247,350	300,572	53,222
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	(709,487)	-	709,487
TOTAL OTHER FINANCING SOURCES (USES)	<u>(709,487)</u>	<u>-</u>	<u>709,487</u>
NET CHANGE IN FUND BALANCES	(462,137)	300,572	762,709
FUND BALANCES - BEGINNING	<u>983,016</u>	<u>998,741</u>	<u>15,725</u>
FUND BALANCES - ENDING	<u>\$ 520,879</u>	<u>\$ 1,299,313</u>	<u>\$ 778,434</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2019

GENERAL OPERATIONS FEE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
General operations fee	\$ 2,340,000	\$ 975,000	\$ (1,365,000)
General operations fee - penalty	-	679	679
Interest income	-	3,030	3,030
TOTAL REVENUES	<u>2,340,000</u>	<u>978,709</u>	<u>(1,361,291)</u>
EXPENDITURES			
Floral	275,000	60,046	214,954
Landscape maintenance & irrigation repair	425,000	91,206	333,794
Monthly cleaning	215,000	80,241	134,759
Pest control	10,000	-	10,000
Property maintenance	125,000	46,681	78,319
Property management	45,000	15,793	29,207
Repairs and maintenance	315,000	52,206	262,794
Security	78,000	23,778	54,222
Signage and decor	100,000	6,526	93,474
Snow removal	350,000	246,841	103,159
Street lighting/ striping	115,000	25,212	89,788
Street repairs/sidewalk	100,000	-	100,000
Street sweeping	24,000	9,525	14,475
Traffic signals maintenance	3,000	-	3,000
Utilities	160,000	36,179	123,821
TOTAL EXPENDITURES	<u>2,340,000</u>	<u>694,234</u>	<u>1,645,766</u>
NET CHANGE IN FUND BALANCES	-	284,475	284,475
FUND BALANCES - BEGINNING	<u>350,000</u>	<u>500,000</u>	<u>150,000</u>
FUND BALANCES - ENDING	<u>\$ 350,000</u>	<u>\$ 784,475</u>	<u>\$ 434,475</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report.

SUPPLEMENTARY INFORMATION

DRAFT

SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2019

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 30,000	\$ 21,346	\$ (8,654)
Property taxes	2,683,919	2,207,884	(476,035)
Specific ownership tax	161,035	83,826	(77,209)
TOTAL REVENUES	<u>2,874,954</u>	<u>2,313,056</u>	<u>(561,898)</u>
EXPENDITURES			
Bond interest - Series 2017 A-1	2,117,600	-	2,117,600
Bond interest - Series 2017 A-2	187,175	-	187,175
Bond principal - Series 2017 A-1	445,000	-	445,000
Bond principal - Series 2017 A-2	40,000	-	40,000
Contingency	8,466	-	8,466
County Treasurer's fee	40,259	33,120	7,139
Paying agent fees	2,500	5,500	(3,000)
TOTAL EXPENDITURES	<u>2,841,000</u>	<u>38,620</u>	<u>2,802,380</u>
NET CHANGE IN FUND BALANCES	33,954	2,274,436	2,240,482
FUND BALANCES - BEGINNING	<u>2,269,446</u>	<u>2,252,817</u>	<u>(16,629)</u>
FUND BALANCES - ENDING	<u>\$ 2,303,400</u>	<u>\$ 4,527,253</u>	<u>\$ 2,223,853</u>

SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2019

CAPITAL PROJECTS FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ -	\$ 646	\$ 646
TOTAL REVENUES	<u>-</u>	<u>646</u>	<u>646</u>
EXPENDITURES			
Medians	200,000	-	200,000
Refresh	600,000	-	600,000
TOTAL EXPENDITURES	<u>800,000</u>	<u>-</u>	<u>800,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	646	800,646
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	709,487	-	(709,487)
TOTAL OTHER FINANCING SOURCES (USES)	<u>709,487</u>	<u>-</u>	<u>(709,487)</u>
NET CHANGE IN FUND BALANCES	(90,513)	646	91,159
FUND BALANCES - BEGINNING	<u>90,513</u>	<u>100,945</u>	<u>10,432</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 101,591</u>	<u>\$ 101,591</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2019 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
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The First Amendment to the Service Plan, approved by the City of Aurora on July 16, 2007, authorized the District to impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

Net Investment 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
2019 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).

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

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
2019 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 2019, 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.

**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>
2019	\$ 445,000	\$ 2,117,600.00	\$ 2,562,600
2020	510,000	2,104,250	2,614,250
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>\$ 44,260,000</u>	<u>\$ 43,400,600</u>	<u>\$ 87,660,600</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

**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>
2019	\$ 40,000	\$ 187,175	\$ 227,175
2020	45,000	185,975	230,975
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>\$ 3,910,000</u>	<u>\$ 3,837,675</u>	<u>\$ 7,747,675</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

**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>
2019	\$ 485,000	\$ 2,304,775.00	\$ 2,789,775
2020	555,000	2,290,225	2,845,225
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>\$ 48,170,000</u>	<u>\$ 47,238,275</u>	<u>\$ 95,408,275</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

SOUTHLANDS METROPOLITAN DISTRICT # 1
Schedule of Cash Position
May 31, 2019
Updated as of July 9, 2019

	General Fund	Operations Fee Fund	Debt Service Fund	Capital Projects Fund	Total
<u>FirstBank - Checking Account</u>					
Balance as of 05/31/19	\$ 36,135.30	\$ 651,704.43	\$ -	\$ 16,555.37	\$ 704,395.10
Subsequent activities:					
June GOF deposits	-	151,993.62	-	-	151,993.62
June Debit Card purchases	-	(658.46)	-	-	(658.46)
06/06/19 - Xcel Energy EFT	-	(2,042.71)	-	-	(2,042.71)
06/14/19 - Directors fees	(430.60)	-	-	-	(430.60)
06/26/19 - Vouchers payable (Metco)	-	(124,765.57)	-	-	(124,765.57)
06/27/19 - Bill.com payables	(12,700.14)	(94,303.85)	-	-	(107,003.99)
July Debit Card purchases	-	(455.52)	-	-	(455.52)
<i>Anticipated Balance</i>	<u>23,004.56</u>	<u>581,471.94</u>	<u>-</u>	<u>16,555.37</u>	<u>621,031.87</u>
<u>Colotrust</u>					
Balance as of 05/31/19	1,261,200.62	507,576.51	3,113.00	-	1,771,890.13
Subsequent activities:					
06/10/19 - Tax distribution	20,339.14	-	109,622.55	-	129,961.69
06/24/19 - Transfer to A-1 Bond Fund	-	-	(102,275.43)	-	(102,275.43)
06/24/19 - Transfer to A-2 Bond Fund	-	-	(10,460.12)	-	(10,460.12)
06/30/19 - Interest income	2,659.66	1,070.39	-	-	3,730.05
07/10/19 - Tax distribution	76,302.79	-	461,161.21	-	537,464.00
<i>Anticipated transfer to A-1 Bond Fund</i>	-	-	(423,009.81)	-	(423,009.81)
<i>Anticipated transfer to A-2 Bond Fund</i>	-	-	(38,151.40)	-	(38,151.40)
<i>Anticipated Balance</i>	<u>1,360,502.21</u>	<u>508,646.90</u>	<u>-</u>	<u>-</u>	<u>1,869,149.11</u>
<u>UMB - 2017 A-1 Bond Fund</u>					
Balance as of 05/31/19	-	-	2,317,830.96	-	2,317,830.96
Subsequent activities:					
06/03/19 - Debt service payment	-	-	(1,058,800.00)	-	(1,058,800.00)
06/24/19 - Transfer from Colotrust	-	-	102,275.43	-	102,275.43
06/30/19 - Interest income	-	-	1,324.49	-	1,324.49
<i>Anticipated transfer from Colotrust</i>	-	-	(423,009.81)	-	(423,009.81)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,785,640.69</u>	<u>-</u>	<u>1,785,640.69</u>
<u>UMB - 2017 A-1 Reserve Fund</u>					
Balance as of 05/31/19	-	-	1,697,784.75	-	1,697,784.75
Subsequent activities:					
06/30/19 - Interest income	-	-	2,629.38	-	2,629.38
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,700,414.13</u>	<u>-</u>	<u>1,700,414.13</u>
<u>UMB - 2017 A-2 Bond Fund</u>					
Balance as of 05/31/19	-	-	248,247.98	-	248,247.98
Subsequent activities:					
06/03/19 - Debt service payment	-	-	(93,587.50)	-	(93,587.50)
06/24/19 - Transfer from Colotrust	-	-	10,460.12	-	10,460.12
06/30/19 - Interest income	-	-	151.55	-	151.55
<i>Anticipated transfer from Colotrust</i>	-	-	(38,151.40)	-	(38,151.40)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>203,423.55</u>	<u>-</u>	<u>203,423.55</u>
<u>UMB - 2017 A-2 Reserve Fund</u>					
Balance as of 05/31/19	-	-	150,651.64	-	150,651.64
Subsequent activities:					
06/30/19 - Interest income	-	-	233.34	-	233.34
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>150,884.98</u>	<u>-</u>	<u>150,884.98</u>
<u>UMB - 2017 A-2 Project Fund</u>					
Balance as of 05/31/19	-	-	-	85,036.32	85,036.32
Subsequent activities:					
06/30/19 - Interest income	-	-	-	131.75	131.75
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,168.07</u>	<u>85,168.07</u>
<i>Anticipated Balances</i>	<u>\$ 1,383,506.77</u>	<u>\$ 1,090,118.84</u>	<u>\$ 3,840,363.35</u>	<u>\$ 101,723.44</u>	<u>\$ 6,415,712.40</u>
<u>Current Yield - 06/30/19</u>					
Colotrust - 2.47%					
UMB (Invested in Fidelity money market) - 1.96%					

SOUTHLANDS METROPOLITAN DISTRICT #1
Property Tax Reconciliation Schedule
2019

	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	
								Monthly	Y-T-D
January	\$ 838.34	\$ -	\$ 19,850.29	\$ (0.52)	\$ (12.57)	\$ -	\$ 20,675.54	0.03%	0.03%
February	523,248.31	-	24,935.09	-	(7,848.72)	-	540,334.68	16.53%	16.56%
March	1,565,623.80	-	18,570.78	1.30	(23,484.37)	-	1,560,711.51	49.46%	66.02%
April	408,652.54	-	15,843.92	38.89	(6,130.37)	-	418,404.98	12.91%	78.93%
May	111,915.99	-	19,662.87	62.50	(1,679.67)	-	129,961.69	3.54%	82.46%
June	523,565.46	-	21,795.77	(44.42)	(7,852.81)	-	537,464.00	16.54%	99.00%
July	-	-	-	-	-	-	-	0.00%	99.00%
August	-	-	-	-	-	-	-	0.00%	99.00%
September	-	-	-	-	-	-	-	0.00%	99.00%
October	-	-	-	-	-	-	-	0.00%	99.00%
November	-	-	-	-	-	-	-	0.00%	99.00%
December	-	-	-	-	-	-	-	0.00%	99.00%
	\$ 3,133,844.44	\$ -	\$ 120,658.72	\$ 57.75	\$ (47,008.51)	\$ -	\$ 3,207,552.40	99.00%	99.00%
								\$ 2,993,123.96	96.86%

Taxes Levied	% of Levied	Property Tax Collected	% Collected to Amt. Levied
--------------	-------------	------------------------	----------------------------

Property Tax			
General Fund	\$ 481,462	15.73%	\$ 476,501.25
Debt Service (2017 A-1)	2,338,532	76.40%	2,314,436.90
Debt Service (2017 A-2)	240,731	7.87%	238,250.62
Debt Only (2017 A-1)	104,656	100.00%	104,655.67
	\$ 3,165,381		\$ 3,133,844.44

Specific Ownership Tax			
General Fund	\$ 28,888	15.73%	\$ 18,352.49
Debt Service (2017 A-1)	118,234	76.40%	89,140.71
Debt Service (2017 A-2)	36,522	7.87%	9,176.23
Debt Only (2017 A-1)	6,279	100.00%	3,989.29
	\$ 189,923		\$ 120,658.72

Treasurer's Fees			
General Fund	\$ (7,202)	15.73%	\$ (7,147.67)
Debt Service (2017 A-1)	(35,078)	76.40%	(34,717.20)
Debt Service (2017 A-2)	(3,611)	7.87%	(3,573.82)
Debt Only (2017 A-1)	(1,570)	100.00%	(1,569.82)
	\$ (47,461)		\$ (47,008.51)

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

Billing Name	Sq. ft Percentage of Total	2019 Budgeted Monthly Billing	January	February	March	April	May	June	July	August	September	October	November	December
Agree LLP	355,168	\$ 9,776.45	\$ 9,776.45	\$ 9,776.45	\$ 9,776.45	\$ 9,776.45	\$ 9,776.45							
AKAL REALTY LLC	54,080	\$ 1,488.07	\$ 1,488.07	\$ 1,488.07	\$ 1,488.07	\$ 1,488.07	\$ 1,488.07							
Centura Health	81,445	\$ 2,407.03	\$ 2,407.03	\$ 2,407.03	\$ 2,407.03	\$ 2,407.03	\$ 2,407.03							
Centura Health (Lot 4 - new)	41,612	\$ 1,228.00	\$ 1,228.00	\$ 1,228.00	\$ 1,228.00	\$ 1,228.00	\$ 1,228.00							
Centura Health (Lot 5 - new)	39,868	\$ 1,097.42	\$ 1,097.42	\$ 1,097.42	\$ 1,097.42	\$ 1,097.42	\$ 1,097.42							
Chill's	89,142	\$ 2,453.75	\$ 2,453.75	\$ 2,453.75	\$ 2,453.75	\$ 2,453.75	\$ 2,453.75							
Discount Tire	38,465	\$ 1,058.80	\$ 1,058.80	\$ 1,058.80	\$ 1,058.80	\$ 1,058.80	\$ 1,058.80							
Fitzsimons Credit Union	46,533	\$ 1,280.88	\$ 1,280.88	\$ 1,280.88	\$ 1,280.88	\$ 1,280.88	\$ 1,280.88							
GMRI - Olive Garden	79,836	\$ 2,197.59	\$ 2,197.59	\$ 2,197.59	\$ 2,197.59	\$ 2,197.59	\$ 2,197.59							
GMRI - Red Lobster	77,186	\$ 2,124.64	\$ 2,124.64	\$ 2,124.64	\$ 2,124.64	\$ 2,124.64	\$ 2,124.64							
Good Times	54,758	\$ 1,507.28	\$ 1,507.28	\$ 1,507.28	\$ 1,507.28	\$ 1,507.28	\$ 1,507.28							
HV-1	70,453	\$ 1,939.31	\$ 1,939.31	\$ 1,939.31	\$ 1,939.31	\$ 1,939.31	\$ 1,939.31							
JC Penny	431,671	\$ 11,882.29	\$ 11,882.29	\$ 11,882.29	\$ 11,882.29	\$ 11,882.29	\$ 11,882.29							
Jim N Nick's	68,453	\$ 1,884.26	\$ 1,884.26	\$ 1,884.26	\$ 1,884.26	\$ 1,884.26	\$ 1,884.26							
Lazy Dog	24,086	\$ 653.27	\$ 653.27	\$ 653.27	\$ 653.27	\$ 653.27	\$ 653.27							
LF-9	43,457	\$ 1,196.21	\$ 1,196.21	\$ 1,196.21	\$ 1,196.21	\$ 1,196.21	\$ 1,196.21							
Mister Hot Shine	68,266	\$ 1,879.11	\$ 1,879.11	\$ 1,879.11	\$ 1,879.11	\$ 1,879.11	\$ 1,879.11							
Mountain Del, LLC/ Colorado Del, LLC	58,738	\$ 1,616.84	\$ 1,616.84	\$ 1,616.84	\$ 1,616.84	\$ 1,616.84	\$ 1,616.84							
Southlands PC LLC	1,359,624	\$ 37,397.85	\$ 37,397.85	\$ 37,397.85	\$ 37,397.85	\$ 37,397.85	\$ 37,397.85							
Southlands TC LLC	1,593,198	\$ 43,854.76	\$ 43,854.76	\$ 43,854.76	\$ 43,854.76	\$ 43,854.76	\$ 43,854.76							
On The Border	85,900	\$ 2,364.51	\$ 2,364.51	\$ 2,364.51	\$ 2,364.51	\$ 2,364.51	\$ 2,364.51							
Pacific Aurora	71,800	\$ 1,976.39	\$ 1,976.39	\$ 1,976.39	\$ 1,976.39	\$ 1,976.39	\$ 1,976.39							
PF Changs	76,567	\$ 2,107.60	\$ 2,107.60	\$ 2,107.60	\$ 2,107.60	\$ 2,107.60	\$ 2,107.60							
SAFARI HOTEL FUND	142,112	\$ 3,911.81	\$ 3,911.81	\$ 3,911.81	\$ 3,911.81	\$ 3,911.81	\$ 3,911.81							
Spasco of Colorado, HV-14	40,498	\$ 1,114.76	\$ 1,114.76	\$ 1,114.76	\$ 1,114.76	\$ 1,114.76	\$ 1,114.76							
Village Inn	60,265	\$ 1,657.22	\$ 1,657.22	\$ 1,657.22	\$ 1,657.22	\$ 1,657.22	\$ 1,657.22							
Vision Works/SLC	47,829	\$ 1,311.05	\$ 1,311.05	\$ 1,311.05	\$ 1,311.05	\$ 1,311.05	\$ 1,311.05							
Wal-Mart	1,128,974	\$ 31,076.44	\$ 31,076.44	\$ 31,076.44	\$ 31,076.44	\$ 31,076.44	\$ 31,076.44							
Wal-Mart/Sams Club	566,597	\$ 15,596.30	\$ 15,596.30	\$ 15,596.30	\$ 15,596.30	\$ 15,596.30	\$ 15,596.30							
Wells Fargo	56,923	\$ 1,566.88	\$ 1,566.88	\$ 1,566.88	\$ 1,566.88	\$ 1,566.88	\$ 1,566.88							
Wong 444, Inc./KFC/Harman	51,864	\$ 1,427.62	\$ 1,427.62	\$ 1,427.62	\$ 1,427.62	\$ 1,427.62	\$ 1,427.62							
Monthly	7,084,143	\$ 195,000.00	\$ 195,000.00	\$ 194,133.92	\$ 193,512.52	\$ 193,512.52	\$ 190,890.73	\$ 128,248.73	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42
Year-to-Date		\$ 195,000.00	\$ 195,000.00	\$ 389,133.92	\$ 582,446.44	\$ 776,158.96	\$ 967,049.69	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42	\$ 1,095,298.42

AR - 111050	Unearned Revenue - 13141
Mountain Del, LLC/ Colorado Del, LLC	JC Penny 11,882.29
Discount Tire	Lazy Dog 663.27
	Wal-Mart 23,613.16
	Sams Club 10,837.40
	Southlands PC LLC 37,397.85
	Southlands TC LLC 43,854.76
	<u>\$ 7,952.06</u>
	\$ 128,248.73
Rounding (2.00)	
GOF Revenue	\$ 975,000

WILLIAM P. ANKELE, JR.
JENNIFER GRUBER TANAKA
CLINT C. WALDRON
KRISTIN BOWERS TOMPKINS
ROBERT G. ROGERS
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EVE M. GRINA
ALLISON C. FOGG
JENNIFER C. ROGERS

MEMORANDUM

TO: Board of Directors
FROM: WHITE BEAR ANKELE TANAKA & WALDRON
DATE: June 3, 2019
RE: Overview of 2019 Legislation Affecting Special Districts, Municipalities, and HOA's

This memorandum provides an overview of the 2019 legislation enacted by the Colorado General Assembly which, directly or indirectly, impact special districts, municipalities, or homeowners associations.

SPECIAL DISTRICTS

HB19-1047 Metropolitan District Fire Protection Sales Tax

This Bill amends Section 32-1-1106, C.R.S., to add fire protection to the list of services for which metropolitan districts have the power to impose a sales tax. Previously, the statute authorized metropolitan districts to impose a sales tax for street improvements, safety protection and transportation services only.

This Bill was signed by the Governor on March 21, 2019 and becomes effective August 2, 2019.

HB19-1050 Encourage Use of Xeriscape in Common Areas

The Bill amends Section 37-60-126(11), C.R.S. to promote water-efficient landscaping on property subject to management or oversight by special districts in the State of Colorado. The Bill extends existing water conservation requirements in Section 37-60-126, C.R.S., to property management districts and other special districts that manage areas of parkland and open space. This Bill will primarily impact those special districts which have design review and/or covenant enforcement authority to ensure that its current guidelines or policies, or soon to be adopted guidelines or policies, do not prohibit the installation of draught-tolerant vegetative landscapes or limits xeriscape landscaping.

This Bill was signed by the Governor on March 7, 2019 and became effective on March 7, 2019.

HB19-1052 Early Childhood Development Special District

This Bill authorizes the creation of Early Childhood Development Service Districts pursuant to the addition of Article 21 to Title 32. An Early Childhood Development Service District's purpose is to provide services for children from birth through 8 years of age. These services include early care and educational, health, mental health, and developmental services, including prevention and intervention. Districts are authorized to seek voter approval to levy property taxes and sales taxes in the district to generate revenues to provide early childhood development services.

The Early Childhood Development Service Districts are governed by the “**Special District Act**”; except that certain Parts of Article 1 of Title 32 do not apply including: Part 4 (Inclusion of Territory), Part 5 (Exclusion of Territory), Part 12 (Levy and Collection of Taxes), Part 16 (Certification and Notice of Special District Taxes for General Obligation Indebtedness), Part 17 (Property Tax Reduction Agreement), and Part 18 (Public Improvements – Special District Contracts).

This Bill was signed by the Governor on April 3, 2019 and becomes effective August 2, 2019.

HB19-1082 Water Rights Easement

This Bill clarifies that water rights easement holders may maintain, repair and improve their easement. Minor revisions in Section 37-86-102, C.R.S., are made for clarity.

This Bill was signed by the Governor on March 28, 2019 and becomes effective August 2, 2019.

HB19-1087 Local Public Meeting Notices Posted on Website

The intent of this Bill is for local government bodies to transition away from posting physical notices of public meetings in physical locations to posting notices on a website.

This Bill amends Section 24-6-402, C.R.S., to allow a local public body, including special districts, to fulfill the twenty-four hour posting requirement of a public meeting if it posts the notice, and specific agenda items when available, on a public website of the local public body. The website that the local public body uses to post such notices shall be provided to the department of local affairs for distribution. If the local public body does not have the means to post on a website it may continue to post a notice of a public meeting in a physical location, as provided for in the amended Section 24-6-402(2)(c)(I), C.R.S.

When a special district opts to post its notices on a website, it must designate a public place where it may post a physical notice if it is unable to post a notice online due to exigent or emergency circumstances such as a power outage or an interruption in internet service that prevents the public from accessing the notice online.

In addition, this Bill amends Section 32-1-903(2), C.R.S., such that the notice requirements of regular and special meetings for special districts are fulfilled when the special district provides notice in accordance with the amended provisions of Sections 24-6-402, C.R.S. This Amendment

revises the previous posting requirements for special districts pursuant to Title 32 in three significant ways:

1. Clarifies that the amended provisions of Section 24-6-402, C.R.S., apply to *special* meetings as well as regular meetings;
2. Removes the 72-hour notice requirement for posting of all special and regular meetings for Title 32 districts; and
3. Removes the requirement for a special district to post notice in at least three public places within the limits of the special district and to post at the county clerk and recorder in the county that the special district is located.

This Bill was signed by the Governor on April 25, 2019 and becomes effective on August 2, 2019.

HB19-1179 Public Fund Investments

This Bill modifies statutes governing legal investments of public funds as follows:

1. Allows public entities to invest in the federal agricultural mortgage corporation;
2. Modifies and standardizes the credit rating requirements for securities invested in by public entities;
3. Requires rating requirements to first apply to the security being purchased by a public entity and, if there is no such rating, to then apply to the issuer;
4. Clarifies that negotiable certificates of deposit are a legal investment and not deposits subject to the limitation of the “**Public Deposit Protection Act**”;
5. Includes the secured overnight financing rate as an allowable index; and
6. Allows public entities to invest in local governmental investment pools.

This Bill was signed by the Governor on May 7, 2019 and becomes effective August 2, 2019.

HB19-1278 Modifications to Uniform Election Code

This Bill revises the “**Uniform Election Code of 1992**” including changes to procedures for voter registration, ballot access requirements, political party organization filing requirements, procedures for emergency and in-person voting, requirements for the content of an election plan, procedures for curing ballots, and requirements for curing recall petitions. In addition, the Bill allows a 17-year-old who is preregistered and who will be 18 on the date of the next general election to vote in a primary, and allows a person to seek a court order to keep polling locations open past the regular closing time on election day when voting at or access to a polling location has been substantially impaired.

This Bill was sent to the Governor for signature on May 20, 2019 and becomes law upon the date of the Governor's signature or on June 2, 2019, without the Governor's signature. This Bill becomes effective on August 2, 2019.

SB19-006 Electronic Sales and Use Tax Simplification

This Bill requires the department of revenue, within existing resources, to conduct a sourcing method for the development of an electronic sales and use tax simplification system. The Bill also requires the department to involve stakeholders to develop the scope of work.

The Bill specifies that on and after the date the system is online, the department is required to accept any returns and payments processed through the system for state sales and use tax, and for any sales and use taxes that are collected by the department on behalf of any local taxing jurisdiction.

The Bill specifies that it is the general assembly's intent that a certain number of local taxing jurisdictions with home rule charters voluntarily use the system when the system comes online. Additionally, the Bill states that it is the general assembly's intent that all local taxing jurisdictions with home rule charters voluntarily use the system within a specified number of years.

This Bill was signed by the Governor on April 12, 2019 and became effective April 12, 2019.

SB19-138 Bond Requirements for Public Projects Using Private Financing

Under previous law, when a person, company, firm, corporation, or contractor enters into a contract with a county, municipality, school district, or, in some instances, any other political subdivision of the state to perform work in connection with a project that has specified characteristics, the contractor was required to execute performance bonds and payment bonds. This Bill specifies that these bonding requirements apply to all construction contracts located on public real property that use public or private money or financing.

This Bill will amend Section 38-26-106, C.R.S., to clarify that all contracts for more than one hundred fifty thousand dollars awarded to a private entity for the construction, erection, repair maintenance or improvement of any building, road, bridge, viaduct, tunnel or excavation that is situated or located on public real property and use any public or private money or financing, shall file with the board, officer body or person that the contract was awarded a sufficient bond or security.

In addition, this Bill will add language to Section 24-105-202, C.R.S., to specify that the bonds delivered to the state, when a construction contract is awarded in excess of one hundred fifty thousand dollars, apply to all construction contracts awarded to a private entity for construction that is located on public real property and use any public or private money or financing.

This Bill was signed by the Governor on April 16, 2019 and becomes effective August 2, 2019.

SB19-141 Entertainment Districts Counties Optional Premises

The Bill allows an entertainment district to be formed in an area located within a city and county, or within in an unincorporated area of the county, and adds optional premises licensees to the list of licensed premises permitted to attach to an entertainment district.

This Bill was sent to Governor for signature on April 25, 2019 and becomes effective August 2, 2019.

SB19-202 Voting Rights for Voters with Disabilities

The Bill requires the secretary of state to establish procedures that enable voters with disabilities to independently mark a paper ballot, in a mail ballot election or at a voting poll location, using nonvisual access or low vision access technology.

This Bill was sent to Governor for signature on May 13, 2019 and becomes law upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. This Bill becomes effective on August 2, 2019.

SB19-255 Gallagher Amendment Residential Assessment Rate

Based on a residential target percentage that is equal to 45.69%, this Bill lowers the ratio of valuation for assessment of residential real property from 7.2% to 7.15% for property tax years commencing on and after January 1, 2019, until the next property tax year that the general assembly adjusts this ratio.

This Bill was sent to the Governor for signature on May 13, 2019. This Bill becomes law and effective, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature.

MUNICIPAL

HB19-1071 Colorado Department of Public Health and Environmental Water Quality Control

This Bill eliminates the requirement that the state board of health approve a municipality's entrance into a joint operating agreement with an industrial enterprise for work relating to sewerage facilities. In addition, the Bill clarifies that the board of directors of a water conservancy district must comply with the rules of the water quality control commission concerning the manner in which watercourses of the district are used for waste disposal.

This Bill was signed by the Governor on March 7, 2019 and becomes effective August 2, 2019.

HB19-1084 Notice to Property Owners Whether Area Blighted

This Bill modifies the notice requirement of the Urban Renewal Authority once it reaches a determination whether an area is a slum or blighted. Previously, notice of the determination was required within thirty days to any property owner subject to the study, when the authority made a determination that the area is *not* a slum or blighted area. This Bill provides that, within seven (7)

days following the determination, no matter the outcome of such determination, the authority or the municipality, when applicable, shall provide notice of the determination to any owner of private property located in the area that is subject of the study.

This Bill was signed by the Governor on March 21, 2019 and becomes effective September 1, 2019.

HB19-1210 Local Government Minimum Wage

The Bill allows a unit of local government to enact laws establishing a minimum wage within its jurisdiction. Local government in this Section is defined to include a city, home rule city, town, territorial charter city, city and county, county or home rule county.

This Bill was sent to the Governor for signature on May 17, 2019 and becomes law upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. This Bill becomes effective January 1, 2020.

SB19-181 Protect Public Welfare Oil and Gas Operations

The Bill enhances local governments' ability to protect public health, safety, and welfare and the environment by clarifying, reinforcing, and establishing their regulatory authority over the surface impacts of oil and gas development.

In addition, the Bill alters the mission, membership and powers of the Colorado Oil and Gas Conservation Commission (the "COGCC"). The COGCC is tasked to prioritize and promulgate a set of rulemakings in Sections 34-60-106 (2.5)(a), 11(c) and (19), C.R.S., as listed below, pursuant to Section 34-60-106 III(A), C.R.S.:

1. Change the COGCC mandate from fostering to regulating oil and gas in a manner that protects and minimizes adverse impacts to public health, safety and welfare, the environment, and wildlife resources resulting from oil and gas operations;
2. Alternative location analysis process for oil and gas locations or facilities;
3. Evaluate and address the potential cumulative impacts of oil and gas development;
and
4. Flowline and inactive, temporarily abandoned, and shut-in wells to the extent necessary to ensure compliance with SB 19-181.

This Bill was signed by the Governor on April 16, 2019 and became effective on April 16, 2019.

HOMEOWNERS' ASSOCIATION

HB19-1006 Wildfire Mitigation Wildland-Urban Interface Areas

The Bill creates a state grant program to be administered by the Colorado state forest service to fund proactive forest management fuels reduction projects to reduce the impacts to life, property, and critical infrastructure caused by wildfires.

To be eligible for a grant award, a grant recipient must be any one of a group of individual landowners as specified in the Bill, including HOAs, whose real property that is the subject of a grant application is located within a land area that is covered by a community wildfire protection plan.

This Bill was sent to the Governor for signature on May 13, 2019. This Bill becomes law and effective, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature.

HB19-1050 Encourage Use of Xeriscape in Common Areas

In addition, to this Bill affecting special districts as explained above, the Bill amends Section 38-33.3-106.5 (1)(i)(I), C.R.S., to provide that no declaration, by laws, or rules and regulations of an association shall prohibit the use of xeriscape of drought-tolerant vegetative landscapes as it relates to the unit owner property *and* common areas that are under the control of the association's board.

This Bill was signed by the Governor on March 7, 2019 and became effective on March 7, 2019.

HB19-1076 Clean Indoor Air Act Add E-cigarettes Remove Exceptions

The Bill amends the "Colorado Clean Indoor Air Act" by:

1. Adding a definition of "electronic smoking device" ("ESD") to include e-cigarettes and similar devices within the scope of the act;
2. Citing the results of recent research on ESD emissions and their effects on human health as part of the legislative declaration;
3. Eliminating the existing exceptions for certain places of business in which smoking may be permitted, such as airport smoking concessions, businesses with 3 or fewer employees, designated smoking rooms in hotels, and designated smoking areas in assisted living facilities; and
4. Repealing the ability of property owners and managers to designate smoking and nonsmoking areas through the posting of signs.

This Bill was sent to the Governor for signature on May 15, 2019 and becomes law upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. This Bill becomes effective July 1, 2019, with the exception of Section 3 of Act, take effect on October 1, 2019.

HB19-1170 Residential Tenants Health and Safety Act

This Bill revises the “Residential Tenants Health and Safety Act” to set for protections relating to the residential warranty of habitability. Current law provides a list of conditions that render a residential premises uninhabitable. To this list, the Bill adds two conditions; specifically, a residential premises is uninhabitable if:

1. The premises lacks functioning appliances that conformed to applicable law at the time of installation and that are maintained in good working order; or

2. There is mold that is associated with dampness, or there is any other condition causing the premises to be damp, which condition, if not remedied, would materially interfere with the health or safety of the tenant.

This Bill was signed by the Governor on May 20, 2019 and becomes effective August 2, 2019.

HB19-1189 Wage Garnishment Reform

The Bill changes the amount subject to garnishment from 25% to 20% of the individual’s disposable weekly earnings and from 30 times to 40 times the amount an individual’s disposable earnings for a week exceed the state or federal minimum wage.

In addition, the Bill creates an exemption that would permit individuals to prove that the amount of their pay subject to garnishment should be further reduced or eliminated altogether if the individual can establish that such reductions are necessary to support the individual or the individual’s family. The Bill also requires clearer and more timely notice to an individual whose wages are being garnished and gives the individual more time after receiving the notice before garnishment starts. This Bill only applies to all writs of garnishment issues on or after October 1, 2020, regardless of the date of entry of the judgments upon which the writs of garnishment are based.

This Bill was signed by the Governor on May 20, 2019 and becomes effective on August 2, 2019.

HB19-1212 Recreate HOA Community Manager Licensing

The Bill recreates and reenacts the Community Association Managers (“CAM”) licensing program and the duties and responsibilities of the division of real estate and its director with regard to CAM licensing, as they existed on June 30, 2018, with amendments reflecting an extended sunset date of September 1, 2024, and the recommendations of the department of regulatory agencies as contained in its 2017 sunset report as well as other changes.

This Bill was repassed with amendments on May 3, 2019, and will become law upon the Governor’s signature, or on June 2, 2019, without the Governor’s signature. This Bill will become effective the date of passage, except for Section 2 of Act that will take effect October 1, 2019.

OTHER

HB19-1015 Recreation of the Colorado Water Institute

This Bill recreates the Colorado Water Institute, as created in 1981 and which was automatically repealed in 2017.

This Bill was signed by the Governor on February 20, 2019 and becomes effective February 20, 2019.

HB19-1080 Benefits for First Responders with a Disability

The Bill grants first responders with an occupational disability free lifetime small game hunting and fishing licenses, and a free columbine annual pass for entrance into state parks. The Bill also allows first responders with an occupational disability to be eligible to participate in a property tax work-off program established by a taxing entity.

This Bill was signed by the Governor on May 20, 2019 and becomes effective August 2, 2019.

HB19-1098 Deeds to Convey Real Property

This Bill amends Section 38-30-113, C.R.S., to permit a licensed title insurance entity to prepare deeds for conveyance of real property in accordance with statutory forms. Any deed prepared by a title insurance entity containing a covenant of warranty must: (1) include a limitation on the warranty of title; and (2) use the phrase "subject to statutory exceptions." No other terms or descriptions shall be used, unless the preparing title insurance entity is otherwise instructed in writing by both the grantor and the grantee.

This Bill was signed by the Governor on March 7, 2019 and becomes effective March 7, 2019.

HB19-1119 Peace Officer Internal Investigation Open Records

The Bill makes an internal investigation file of a peace officer for in-uniform or on-duty conduct that involves a member of the public subject to an open records request. The Bill requires some information to be redacted before complying with the open records request. In addition, the Bill allows for the custodian of the file to first provide a summary of the file to the requester and then allows the requester access to the file after the requester has reviewed the summary. Under the Bill, a custodian of a file in which there is an ongoing criminal case can deny inspection of the file. The file becomes open for inspection after all the charges are dismissed or the defendant is sentenced.

This Bill was signed by the Governor on April 12, 2019 and becomes effective April 12, 2019.

HB19-1183 Automated External Defibrillators in Public

The Bill defines a public place and encourages any person that owns, operates, or manages a public place to place functional automated external defibrillators ("AEDs") in sufficient

quantities to ensure reasonable availability for use during perceived sudden cardiac arrest emergencies.

The Bill requires any public place to accept any gift, grant, or donation of AEDs that meet federal standards. The department shall award a \$75,000 contract to a nonprofit organization for the purpose of acquiring and distributing AEDs to public places. The Bill extends good Samaritan protections to a variety of persons and entities.

This Bill was signed by the Governor on May 22, 2019 and becomes effective August 2, 2019.

HB19-1200 Reclaimed Domestic Wastewater Point of Compliance

The Bill authorizes the water quality control commission to adopt rules that require compliance for disinfection residual, related to the treatment process for reclaimed domestic wastewater used for toilet flushing within a building, where the general public can access the plumbing fixtures used to deliver the reclaimed domestic wastewater. If the commission adopts the rules, the rules must establish a point of compliance for disinfection residual at a single location between where reclaimed domestic wastewater is delivered to the occupied premises, and before the water is distributed for use in the occupied premises.

This Bill was signed by the Governor on April 4, 2019 and becomes effective August 2, 2019.

HB19-1238 Clarification of Manufactured Housing Standards

The Bill amends the state director of housing authority to obtain injunctive relief to be consistent with the removal of the requirement that factory-built structures that are only substantially altered or repaired bear an insignia of approval issued by the division of housing.

The Bill also removes the requirement that factory-built structures that are manufactured or sold for transportation to and installation in another state bear an insignia of approval issued by the division of housing. The Bill also removes the requirement that factory-built structures that are only substantially altered or repaired in Colorado bear an insignia of approval issued by the division of housing.

This Bill was signed by the Governor on April 25, 2019 and becomes effective August 2, 2019.

HB19-1239 Census Outreach Grant Program

This Bill creates the 2020 census outreach grant program in the department of local affairs to provide grants to local governments, intergovernmental agencies, councils of government, housing authorities, school districts, and nonprofit organizations to support the accurate counting of the population of the state for the 2020 census.

The department of local affairs, in coordination with the grant program committee, which is also created in the division, is required to implement and administer the grant program and to develop policies and procedures necessary for such implementation and administration.

This Bill was sent to the Governor for signature on May 14, 2019. This Bill becomes law and effective, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature.

HB19-1274 Board of County Commissioners Delegation Subdivision Platting

The Bill provides that the resolutions, ordinances, or regulations that provide for the review and approval process of subdivision plats or other plans affecting certain land use determinations, may provide for the board of county commissioners to delegate to one or more county administrative officials the authority to:

1. Approve or deny final plats, amendments to final plats, and correction plats;
2. Approve subdivision improvement agreements and other agreements required in connection with a final plat, an amendment to a final plat, or correction plat; and
3. Review and approve the data, surveys, analyses, studies, plans and designs submitted in connection with a final plat, amendment to a final plat, or correction plat.

This Bill was sent to the Governor for signature on May 14, 2019, and becomes law, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. This Bill becomes effective on September 1, 2019.

HB19-1284 Urban Drainage Flood Control District Board of Directors

This Bill repeals a requirement that the board consist of 16 directors and a requirement that the board meet on the first business day of February each year. The Bill relocates a requirement that each director take an oath of office to a different statutory section.

This Bill was sent to the Governor for signature on May 14, 2019 and becomes law, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. This Bill becomes effective on August 2, 2019.

HB19-1319 Incentives Developers Facilitate Affordable Housing

This Bill provides incentives to assist land developers in providing affordable housing statewide, and, in connection therewith, supplementing the centralized inventory of state-owned real property to assist the public in identifying non-developed land owned by the state that could be developed for affordable housing purposes. In addition, the Bill modifies the administration of an existing property tax exemption that applies to certain affordable housing developments.

This Bill was signed by the Governor on May 17, 2019 and becomes effective September 1, 2019.

HB19-1324 Strategic Lawsuits Against Public Participation

The Bill establishes an expedited process for a court to follow in a civil action in which a defendant files a motion to dismiss based upon the fact that the defendant was exercising the

defendant's constitutional right to petition the government or of free speech. The Bill also authorizes an interlocutory appeal of the granting or certain denials of the motion to dismiss.

This Bill was passed by the Senate on May 3, 2019. This Bill becomes law and effective, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature.

SB19-017 Requirements for CDOT Land Acquisitions

The Bill authorizes Colorado Department of Transportation ("CDOT"), acting through the chief engineer, to acquire land in such circumstances by purchase or exchange without providing the report or obtaining transportation commission approval. If CDOT needs to acquire land in such circumstances through condemnation, it must provide the report and obtain transportation commission approval.

This Bill was signed by the Governor on March 28, 2019 and becomes effective August 2, 2019.

SB19-035 Department of Revenue Enforcement Measures Collection of Taxes Owed

The Bill specifies that the period of time wherein a tax must be assessed is extended in the case of a taxpayer whose assets are in the control or custody of a court or in the case of a taxpayer who has filed bankruptcy proceedings.

The Bill also provides clarifications regarding: (1) the department of revenue's authorization to sell a delinquent taxpayer's motor vehicle; (2) other remedies that a district court has available in the case of a delinquent taxpayer; and (3) when property or rights to property must be surrendered to the executive director of the department of revenue and what the penalties are for failing to surrender such property.

This Bill was signed by the Governor on March 28, 2019 and becomes effective August 2, 2019.

SB19-188 Family Medical Leave Insurance Program

This Bill authorizes the conduct of a study and the formation of a task force to study the viability and implantation of a family and medical leave insurance ("FAMLI") program that will lead to a new proposed bill for the 2020 legislative session. The Bill provides for the implementation of a paid family and medical leave program in the state by completing a thorough analysis of paid family and medical leave programs by experts in the field, the establishment of a family and medical leave implementation task force, and actuarial and third-party studies. The task force will be comprised of 13 members and will present its "final recommendation" for a FAMLI program by January 8, 2020 to the Governor and the appropriate four legislative committees.

This amended Bill was sent to the Governor for signature on May 16, 2019. This Bill becomes law and effective, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature.

SB19-235 Automatic Voter Registration

The Bill requires the department of revenue to transfer to the secretary of state the electronic record of each eligible elector who applies for the issuance, renewal or correction of a Colorado driver's license or identification card. The elector's county clerk reviews the record for completeness and sends the elector a notice advising that the elector has been registered to vote.

This Bill was sent to the Governor for signature on May 17, 2019 and becomes law, upon the date of the Governor's signature, or on June 2, 2019, without the Governor's signature. Section 1, 6 and 7 of this Act take effect July 1, 2020, and the remainder of this Act takes effect on August 2, 2019.

EXPANDED UTILITY AND PUBLIC ACCESS EASEMENT

The undersigned owner and Grantor hereby acknowledges receipt from **THE CITY OF AURORA, COLORADO**, a municipal corporation of the Counties of Adams, Arapahoe, and Douglas, State of Colorado and hereinafter called "**Grantee**," of the sum of One and No/100 dollar (\$1.00) and other good and valuable consideration, the consideration of which Grantor hereby grants unto said Grantee, an easement, as provided herein.

By that certain Utility and Public Access Easement dated June 3, 2004 and recorded in the real estate records of Arapahoe County, Colorado on November 1, 2004 at Reception No. B4191773 (the "**Original Easement**") Grantor's predecessor in title granted unto Grantee certain rights in the property therein described.

Grantor hereby expands the scope of the Original Easement to encompass the portion of Grantor's property more particularly described as Permanent Public Access Easement on **Exhibit A**, attached hereto (the "**Expanded Easement Property**"). Grantor hereby grants unto Grantee, and easement, together with all rights, privileges and authority as provide in the Easement Agreement, over and across the Expanded Easement Property.

Except as modified by this Expanded Utility and Public Access Easement (the "**Expanded Easement**"), Grantor hereby ratifies and affirms the Original Easement. This Expanded Easement shall be binding upon and shall inure to the benefit of, the Grantor and Grantee and their respective heirs, administrators, successors and assigns.

Grantor has executed this Expanded Easement as of the ____ day of _____, 2019.

[Remainder of Page Intentionally Left Blank]

GRANTOR:

Southlands Metropolitan District No. 1
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Name: _____
Title: _____

Attest:

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by
_____ as _____ of Southlands Metropolitan District No. 1.

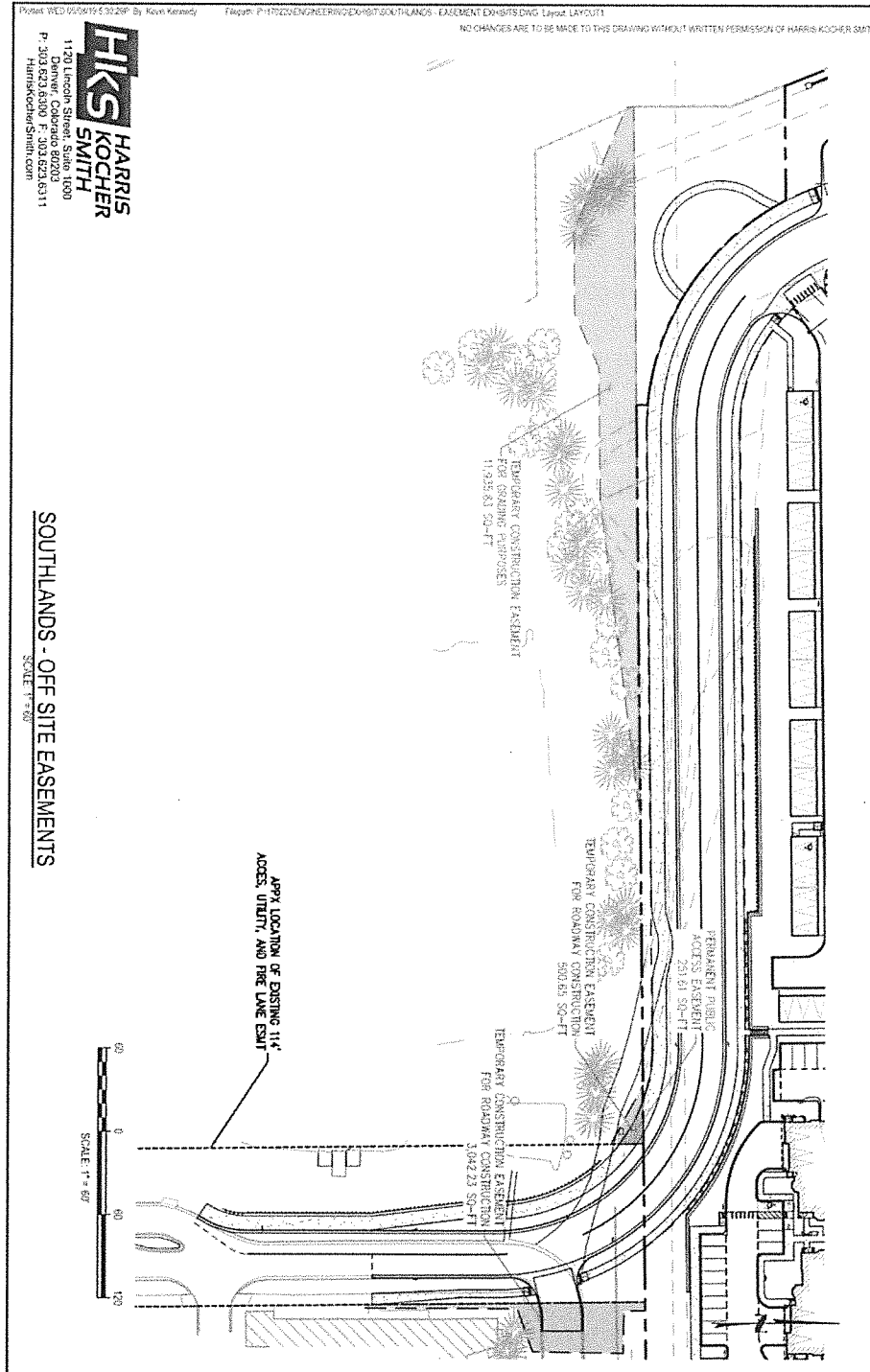
Witness my hand and official seal.

My commission expires _____.

Notary Public

EXHIBIT "A"

(Easement Property)



TEMPORARY CONSTRUCTION AND ACCESS
EASEMENT AGREEMENT

This Temporary Construction and Access Easement Agreement (this "**Easement Agreement**") is entered into to be effective as of _____, 2019, between **Southlands Metropolitan District No. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado ("**Grantor**") and **Gun Club Group Partners**, a Colorado general partnership ("**Grantee**").

Recitals

A. Grantor is the owner of that certain property identified as Temporary Construction Easement for Grading Purposes as well as that portion identified as Temporary Construction Easement for Roadway Construction Purposes and depicted on the Map attached hereto as Exhibit "A" ("**Easement Property**").

B. Grantee is the owner of that certain property located in the City of Aurora, Colorado (the "**City**") and more particularly described on Exhibit "B" ("**Development Property**").

C. In consideration of the sum of One and No/100 dollar (\$1.00) and other good and valuable consideration as set forth in that certain Easement Grant Agreement, a copy of which shall be retained by Grantor and Grantee, Grantor hereby grants unto said Grantee Grantor now desires to grant to Grantee, a nonexclusive temporary construction and access easement over the Easement Property, subject to the terms and conditions set forth herein.

Agreement

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereto hereby acknowledge, the parties hereto agree as follows:

1. Grant of Easement. Subject to the terms and conditions of this Easement Agreement, Grantor hereby grants to Grantee a temporary nonexclusive easement (the "**Easement**") to enter, re-enter, occupy, and use the Easement Property for the following purposes:

(a) to provide pedestrian and vehicular ingress and egress including, but not limited to, access by construction personnel and construction vehicles, equipment and machinery necessary or useful to the completion of grading and roadway construction on the Easement Property in conjunction with Grantee's development of the Development Property (the "**Improvements**"); and

(b) to permit the parking of construction vehicles and equipment, together with the storage of construction machinery, tools, equipment, trash receptacles and building supplies.

In connection with the exercise of its rights pursuant to the Easement, Grantee may permit its contractors, subcontractors, employees and agents, and the City, to enter upon the Easement Property for the purposes set forth above.

2. Reserved Rights. The Easement is subject to the following rights reserved by Grantor:

(a) Grantor reserves the right to use the Easement Property for any purposes that do not unreasonably interfere with Grantee's use of the Easement as herein provided; and

(b) Grantor reserves the right to grant additional easements and other rights to third parties over, under and within Easement Property on the condition that such easements and other rights do not unreasonably interfere with Grantee's use of the Easement for the purposes set forth herein.

3. Maintenance and Repair.

(a) Grantee shall make reasonable efforts to minimize interference with the use and operation of any improvements owned by Grantor located on the Easement Property or activities of Grantor on the Easement Property.

(b) Grantee shall repair and restore any damage to the surface of the Easement Property or any improvements located thereon caused by its use of the Easement Property.

4. Insurance.

(a) Grantee shall maintain, at its cost, commercial general liability insurance, with a primary limit of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate per policy period. This insurance must include premises operations, personal injury, contractual liability, products/completed operations hazard and broad form property damage coverages. In addition, Grantee shall cause all of its independent contractors and its subcontractors to carry similar insurance in similar amounts.

(b) All policies of liability insurance maintained by Grantee under this Agreement shall name Grantor as an additional named insured. Executed copies of such policies or certificates thereof shall be delivered to Grantor prior to Grantee's use and enjoyment of the Easement and thereafter at least thirty (30) days prior to the expiration of the term of each such policy. The policies shall require at least thirty (30) days' Notice sent by registered or certified mail or by recognized overnight carrier to Grantor before any cancellation or material change that reduces or restricts the insurance.

(c) All insurance policies maintained or caused to be maintained by Grantee shall provide that (i) each such policy shall be primary without right of contribution from any other insurance that may be carried by Grantee or Grantor, and all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured, and (ii) the insurance company will have no right of subrogation against Grantor or a Relevant Person (as defined below).

5. Release and Indemnification.

(a) To the fullest extent permitted by law, Grantee hereby releases Grantor and all of its directors, officers, employees and agents (each, a "**Relevant Person**"), and no Relevant Person shall be liable in any manner to Grantee or any other person claiming through Grantee for any death, injury, loss, damage, cost or expense of any nature whatsoever resulting from any act or omission occurring on or about the Easement Property relating to the use of the Easement, except to the extent that the same results from the negligence or willful misconduct of Grantor's Relevant Person.

(b) To the fullest extent permitted by law, Grantee shall indemnify, defend and hold harmless each of Grantor's Relevant Persons from any claim, suit, proceeding, loss, damage, cost or expense, including, without limitation, attorneys' fees and consultants' fees, asserted against or incurred by such Relevant Person as a result of or in connection with:

(i) any act or omission occurring in, on or about the Easement Property related to the purposes for which the Easement is granted, except to the extent that the act or omission results from the negligence or willful misconduct of Grantor's Relevant Person; or

(ii) Grantee's failure to perform or observe any obligation or condition to be performed or observed by Grantee under this Easement Agreement.

(c) To the fullest extent permitted by law, Grantor hereby releases Grantee and all of its Relevant Persons, and no Relevant Person shall be liable in any manner to Grantor or any other person claiming through Grantor for any death, injury, loss, damage, cost or expense of any nature whatsoever resulting from any act or omission occurring on or about the Easement Property relating to the use of the Easement, except to the extent that the same results from the negligence or willful misconduct of Grantee's Relevant Person.

6. Mechanic's Liens. Grantee shall not permit any mechanic's or materialman's liens to be enforced against the Easement Property in connection with any work performed over, under or across the Easement Property by or at the direction of any Grantee or materials furnished in connection with such work. If such a lien is filed, Grantee shall cause the lien to be removed of record within thirty (30) days thereafter, or, if any foreclosure action to enforce the lien actually commences, within five (5) days after commencement of such foreclosure action.

7. Amendment; Termination.

(a) This Easement Agreement may be amended only by a written instrument duly executed, delivered by Grantee (or its successors or assigns, as appropriate) and Grantor, and (ii) recorded in the Office of the Clerk and Recorder for Arapahoe County, Colorado.

(b) Upon completion of construction of the Improvements hereunder, including expiration of applicable City warranty periods related thereto and obtaining final written City acceptance of said Improvements, Grantor and Grantee shall record a release of this Easement Agreement in the Office of the Clerk and Recorder for Arapahoe County, Colorado.

8. Easements Appurtenant. The burdens of the Easement and covenants herein with respect to Grantor shall run with and be appurtenant to the Easement Property, such that a transfer of legal title to all or a portion of the Easement Property shall automatically transfer an interest in such burdens. The benefits of the Easement and covenants herein with respect to Grantee shall run with and appurtenant to the Development Property, such that a transfer of legal title to all or a portion of the Development Property shall automatically transfer an interest in such benefits.

9. Compliance with Law. Grantee shall, at its sole cost and expense, comply with all codes, laws, ordinances, orders, rules, regulations, statutes and other governmental requirements regarding the use and operation of the Easement Property for purposes of the Easement.

10. Costs of Legal Proceedings. If either Party institutes legal proceedings with respect to this Easement Agreement against any other Party, the prevailing Party shall be entitled to court costs and reasonable attorneys' fees incurred by such Party or Parties in connection with such legal proceedings. The "prevailing Party" shall be determined, at the conclusion of any appeals, if any, by the entity before whom the dispute was brought, based upon an assessment of which Party's major arguments or positions taken in the suit or proceeding could fairly be said to have prevailed over the other Party's major arguments or positions on major disputed issues, in the final decision of the court or any appellate court.

11. Governing Law. This Easement Agreement shall be construed in accordance with and governed by the laws of the State of Colorado.

12. Entire Agreement. This Easement Agreement and the Reimbursement Agreement constitute the entire agreement among Grantor and Grantee concerning the subject matter hereof, and supersedes any prior or contemporaneous agreements among Grantor and Grantee concerning the subject matter hereof.

13. Counterparts. This Easement Agreement may be executed in two or more counterparts, each of which, when executed, shall be deemed an original and both of which together shall be deemed one and the same instrument.

[Remainder of Page Intentionally Left Blank]

This Temporary Construction and Access Easement Agreement is executed as of the date first set forth above.

GRANTOR:

Southlands Metropolitan District No. 1
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Name: _____
Title: _____

Attest:

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019 by
_____ as _____ of Southlands Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires _____.

Notary Public

GRANTEE:

Gun Club Group Partners
a Colorado general partnership

By: _____
Matthew Sosin, Authorized Agent

STATE OF MICHIGAN)
)
COUNTY OF OAKLAND) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2019
by Matthew Sosin as Authorized Agent of Gun Club Group Partners.

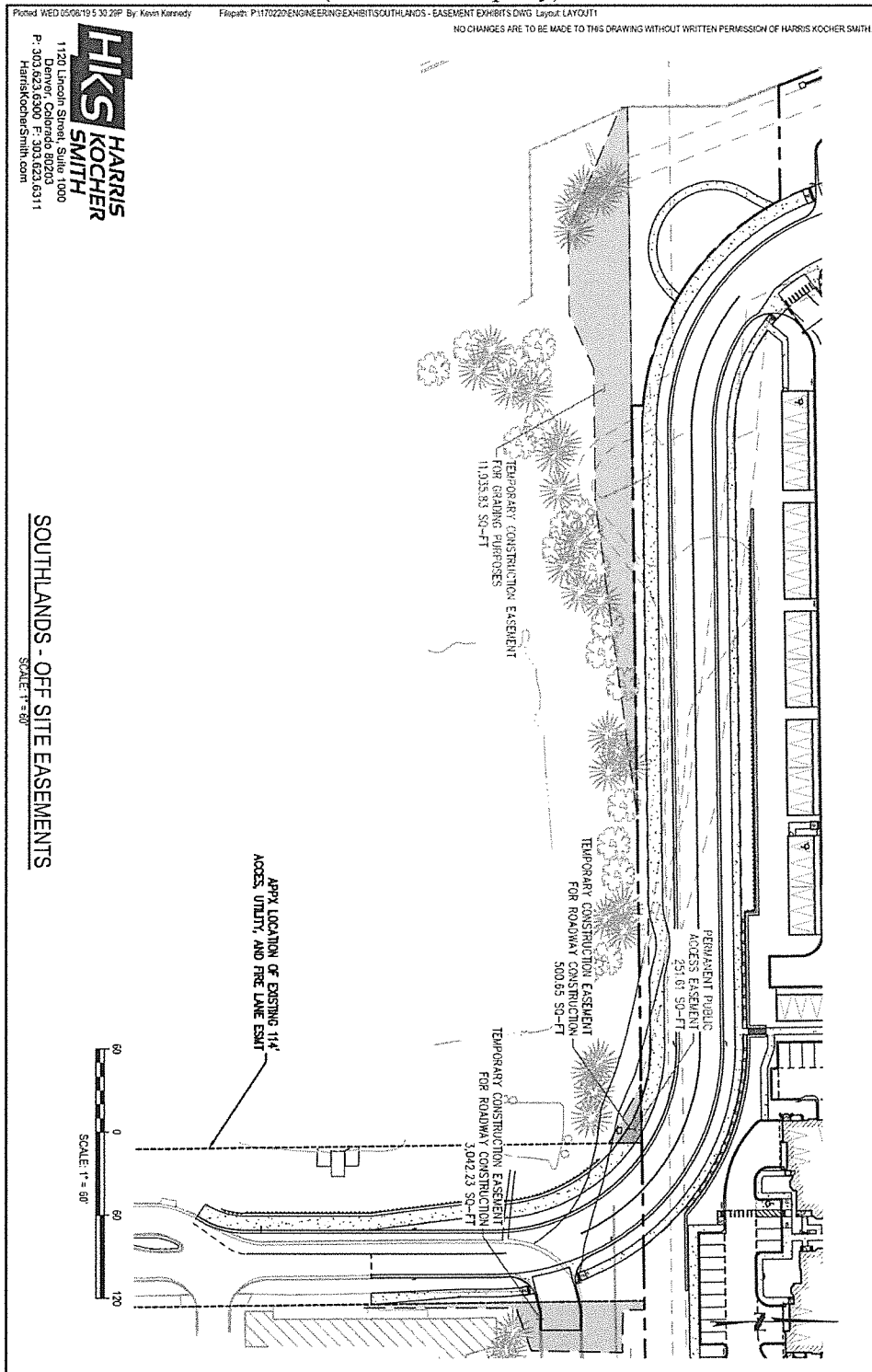
Witness my hand and official seal.

My commission expires _____.

Notary Public

EXHIBIT "A"

(Easement Property)



HKS HARRIS KOCHER SMITH
1120 Lincoln Street, Suite 1000
Cincinnati, Ohio 45202
P: 303.623.6300 F: 303.623.6311
HarrisKocherSmith.com

SOUTHLANDS - OFF SITE EASEMENTS

SCALE: 1" = 80'

EXHIBIT "B"

(Development Property)

LEGAL DESCRIPTION

Parcel No. 1:

A parcel of land located in the South Half of Section 18, Township 5 South, Range 65 West of the Sixth Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado, more particularly described as follows:

Commencing at the south quarter corner of said Section 18;

Thence South 89°15'59" West along the south line of said Section 18, a distance of 498.05 feet to the Point of Beginning;

Thence continuing South 89°15'59" West, a distance of 1345.31 feet;

Thence along the easterly line of the E-470 Public Highway Authority Parcel No. TK-63 the following two (2) courses:

1. North 00°00'13" West, a distance of 70.66 feet;

2. North 21°51'46" West, a distance of 628.46 feet;

Thence North 89°59'46" East along the south line of Sorrel Ranch Subdivision Filings No.3 and 4, a distance of 1579.24 feet;

Thence South 00°00'00" West, a distance of 636.81 feet to the Point of Beginning,

Parcel No. 2:

A parcel of land located in the South Half of Section 18, Township 5 South, Range 65 West of the Sixth Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado, more particularly described as follows:

Commencing at the south quarter corner of said Section 18;

Thence North 89°16'25" East along the south line of said Section 18, a distance of 796.17 feet to the Point of Beginning;

Thence along the easterly line of South Aurora Parkway, as described in Reception No. B4065005, the following three (3) courses:

1. North 32°05'09" West, a distance of 99.35 feet;

2. Along the arc of a curve to the left having a radius of 1072.00 feet and a central angle of 29°17'29", an arc distance of 548.04 feet (chord bears North 46°43'53" West, 542.09 feet);

3. North 61°22'38" West, a distance of 343.69 feet;

Thence North 89°59'46" East along the south line of Sorrel Ranch Subdivision Filings No. 5, 6 and 7, a distance of 2397.62 feet;

Thence South 00°20'30" East along the west line of the Public Service Company parcel, a distance of 599.60 feet;

Thence South 89°16'25" West along the south line of said Section 18, a distance of 1652.14 feet to the Point of Beginning.

Parcel No. 3

A parcel of land located in the South Half of Section 18, Township 5 South, Range 65 West of the Sixth Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado, more particularly described as follows:

Beginning at the south quarter corner of said Section 18;

Thence South $89^{\circ}15'59''$ West along the south line of said Section 18, a distance of 498.05 feet;

Thence North $00^{\circ}00'00''$ East, a distance of 636.81 feet;

Thence North $89^{\circ}59'46''$ East along the south line of Sorrel Ranch Subdivision Filing No. 3, a distance of 244.37 feet;

Thence along the westerly line of South Aurora Parkway, as described in Reception No. B4065005, the following three (3) courses:

1. South $61^{\circ}22'38''$ East, a distance of 607.51 feet;

2. Along the arc of a curve to the right having a radius of 928.00 feet and a central angle of $29^{\circ}17'29''$, an arc distance of 474.42 feet (chord bears South $46^{\circ}43'53''$ East, 469.27 feet);

3. South $32^{\circ}05'09''$ East, a distance of 11.59 feet;

Thence South $89^{\circ}16'25''$ West along the south line of said Section 18, a distance of 627.54 feet to the Point of Beginning.

INDEPENDENT CONTRACTOR AGREEMENT
(General Engineering Services)

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the "Agreement"), is entered into as of the 11th day of July, 2019, by and between SOUTHLANDS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and DEWBERRY ENGINEERS INC., a New York corporation authorized to do business in the State of Colorado (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 District and the Declarant under that certain Master Declaration of Easements, Covenants, Conditions, and Restrictions dated June 2, 2004, and recorded in the official records of Arapahoe County, Colorado at Reception No. B4112093, as amended ("Declaration"), have entered into that certain Project Area Lease dated effective as of January 1, 2011 ("Lease"), pursuant to which the District has leased the Declarant's Easement Areas (as defined in the Lease); and

WHEREAS, certain of the services to be performed by Contractor pursuant to this Agreement may be performed in the Declarant's Easement Areas; 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. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Services"): (a) in a first-class manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services in the area of the District; (b) within the time period and pursuant to the Scope of Services specified in said Exhibit A; (c) in such a manner as to minimize any annoyance, interference or disruption to the residents, tenants, occupants and invitees within the District; and (d) in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, any licensing, bonding, and permit requirements, and including without limitation, any such laws relating to storage, use or disposal of hazardous wastes, substances or materials. 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.

2. TERM/RENEWAL. This Agreement shall be effective as of August 1, 2019 and shall terminate on the earlier to occur of: (i) termination pursuant to Section 20 hereof; or (ii) December 31, 2019. Notwithstanding the foregoing, unless terminated pursuant to (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 for each succeeding year for an additional one (1) year term commencing January 1 of the next succeeding year.

3. ADDITIONAL SERVICES. The District may request the Contractor to provide additional services not set forth in Exhibit A. The terms and conditions of the provision of such services shall be subject to a written service/work order executed by an authorized representative of the District and the Contractor. 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 or property owned by 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 (any subsurface examination is excluded) 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. Nevertheless, Contractor may reasonably rely on any information or documents provided by the District or its agents or representatives. 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 Services of the Contractor shall be undertaken and completed to assure their expeditious completion in light of the purposes of this Agreement. 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 timely 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 declares that it has complied with all Federal, State and local laws, rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses that are required to provide the Services under this Agreement.

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 B**. 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 B 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-1**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10th of each month, during the term of the Agreement and shall contain the following information:

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

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

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

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

10. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory and detailed invoice; and (ii) if applicable, a 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 best interest of the District to do so. In the event a Board meeting is not scheduled in time to review an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 29, 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, if applicable, and invoice by the President and one other officer of the District, subject to ratification at the next succeeding special or regular Board meeting.

11. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in the 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 the Services 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, the safety of its employees, the public and the work site in general and shall comply with all applicable provisions of local, state and federal laws, regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970 (OSH Act). All personnel furnished by the Contractor will be deemed employees of the Contractor and will not for any purpose be considered employees or agents of the District, and the Contractor will comply with all employment laws relative to such employees, including but not limited to Wage and Hour laws, Worker Compensation Laws, Immigration Laws and OSHA-type laws. **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 earned pursuant to this Agreement.**

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

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 the 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 the 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 the 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 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 the Agreement pursuant to §8-17.5-102, C.R.S., the District may terminate the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the District.

13. CONTRACTOR'S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit E**, 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 required by this Section 13 of the 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 E-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. 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 the Agreement; nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in the Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

14. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor, on behalf of its employees, agrees to enter into a confidentiality agreement. 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 marks confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, might reasonably be construed to be contrary to the best interests of the District.

b. 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 owner of conflicts that impact the Services to the District.

15. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor prepared 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. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services, shall make them available for the District's use and shall provide such copies to the

District upon request at no cost. The District agrees it will not reuse or modify the Contractor's designs, documents or work product (the "**Contractor's Documents**") without the prior written authorization of the Contractor. If the District reuses or modifies the Contractor's Documents, the District agrees, to the fullest extent permitted by law, to release Contractor, its officers, directors, employees and subconsultants from all claims and causes of action arising from such reuse or modification, and shall, to the extent permitted by law, indemnify and hold the Contractor harmless from all costs and expenses, including the cost of defense, related to claims and causes of action to the extent such costs and expenses arise from the District's reuse or modification of the Contractor's Documents.

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

17. INDEMNIFICATION.

a. The Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants (collectively, the "**District Indemnitees**"), from and against 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, in whole or in part, out of the errors or omissions, gross 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 worker's 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 thirty (30) business 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, for a period of three (3) years.

18. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment, delegation or subcontracting 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. The District shall have the right to freely assign this Agreement. In the event that the Lease shall terminate, Contractor acknowledges that the Declarant under the Declaration shall have the right, at Declarant's election, to take an assignment of the rights and obligations of the District under this Agreement with respect to the Services being provided by Contractor in the Declarant's Easement Areas. In the event that Declarant elects to take an assignment of this Agreement from the District, Declarant shall provide written notice to Contractor of such election and the rights and obligations of District under this Agreement arising from and after the date of such notice shall automatically, without further action being required by any party, be assigned to Declarant ("Declarant Assignment"). Upon the occurrence of a Declarant Assignment, Declarant shall have no obligation for any liabilities of the District to Contractor or any amounts due and owing to Contractor under this Agreement arising prior to the date of the Declarant Assignment. In addition, in the event of a Declarant Assignment, Contractor and Declarant shall, within ten (10) business days after the date of Declarant's notice advising Contractor of the Declarant Assignment, enter into an amendment to this Agreement to narrow the scope of the Services provided by Contractor hereunder recognizing that the Services provided under this Agreement shall relate solely to the Declarant's Easement Areas and providing for an equitable adjustment in the compensation due Contractor as a result of the reduced scope of Services provided under this Agreement. Contractor acknowledges that Declarant is not a party to this Agreement and that Declarant shall have no liability to Contractor as a result of this Agreement unless and until Contractor receives a written notice from Declarant of the occurrence of a Declarant Assignment.

19. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services under this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor. 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 Section 17 of this

Agreement holding the District harmless for the acts of the subcontractor. The Contractor further agrees that any such subcontract shall be terminable for cause or convenience and that, unless directed otherwise by the District, the Contractor shall immediately terminate all such subcontracts immediately upon termination of this Agreement. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without further cost upon termination of this Agreement. Neither the District's approval of any subcontractors, suppliers or materialmen, nor the failure of performance thereof by such parties, will relieve, release or affect in any manner any of the Contractor's duties, liabilities or obligations under this Agreement, and the Contractor will at all times be and remain fully liable. The Contractor agrees that each of its employees, and any subcontractors, suppliers and materialmen will be properly qualified and will use reasonable care in the performance of their duties.

20. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days prior written notice to the District and by the District by giving the Contractor thirty (30) days prior written notice. Either 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 giving such notice, within the cure period set forth in Section 21 of this Agreement. Such notice shall not be required for automatic expiration under Section 2, above. 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 by either Party hereto, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees and costs associated with such transition shall not be billed by the Contractor to the District.

21. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 22 below, and the defaulting party will have fifteen (15) 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 fifteen (15) day period and the defaulting party gives written notice to the non-defaulting party within such fifteen (15) 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 fifteen (15) day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

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

District:	Southlands Metropolitan District No. 1 c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, Colorado 80228 Attn: Ann Finn (303) 987-0835 (phone) (303) 987-2032 (fax) afinn@sdmsi.com
With copy to:	WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Attention: Clint C. Waldron, Esq. (303) 858-1800 (phone) (303) 858-1801 (fax) cwaldron@wbapc.com
Contractor:	Dewberry Engineers Inc. 8401 Arlington Blvd Fairfax, VA Attention: Director of Contracts 703.698.9072 (phone) notices@dewberry.com

23. AUDITS. Except for fixed priced services, the District shall have the right to audit, with reasonable notice, any of the Contractor's books and records which may be 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 the Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

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

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

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

27. GOVERNING LAW / DISPUTES.

a. Arbitration. All claims, counterclaims, disputes and other matters in question between the Parties hereto arising out of or relating to this Agreement or the breach hereof may be decided by arbitration upon the mutual agreement to do so by the Parties to this Agreement. In that case, arbitration will be administered by the Judicial Arbiter Group in Denver, Colorado under its arbitration rules, by a single arbitrator, unless a different arbitrator is agreed upon by the Parties. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. THE PARTIES RECOGNIZE THAT BY AGREEING TO BINDING ARBITRATION AS THE METHOD FOR DISPUTE RESOLUTION, THEY RELINQUISH THE RIGHT TO BRING AN ACTION IN COURT AND WAIVE THE RIGHT TO A JURY TRIAL AND THE EXTENSIVE DISCOVERY RIGHTS TYPICALLY PERMITTED IN JUDICIAL PROCEEDINGS. 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. Each Party will be responsible for paying one half of all fees and expenses charged by the arbitrator. Notice of request for arbitration must be filed in writing with the other Party(ies) to this Agreement. If agreed to, notice must be filed with the Judicial Arbiter Group. The request must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. In the event that the Parties do not agree to arbitration, each party shall be permitted to pursue all available legal and equitable remedies.

b. Litigation and Venue. In the event the Parties do not agree to arbitration pursuant to Section 27(a), above, 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.

c. Prevailing Party. Other than arbitration fees as set forth in Section 27(a) of the Agreement, in the event that it becomes necessary for either party to enforce the provisions of this Agreement or to obtain redress for the breach or violation of any of its provisions, whether by litigation, arbitration or other proceedings, the prevailing party shall recover from the other party all costs and expenses associated with such proceedings, including reasonable attorney's fees. For purposes of this Agreement, "prevailing party" shall mean the party in whose favor a judgment, decree, or final order is rendered, either by an arbitrator or the court, after appeal, if any. In the event both Parties prevail on one or more claims, the prevailing party shall mean the net winner of a dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other Party.

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

28. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, 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, or extension of time required or requested pursuant to this Agreement.

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

Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

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

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

32. SEVERABILITY. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained in the Agreement, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

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

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

35. WARRANTY. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the "Work") will be of good quality and new, unless otherwise required or permitted by the Agreement. The Contractor further warrants that the Work will conform to all requirements of the 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 the Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

36. TAX EXEMPT STATUS. The District is exempt from Colorado State sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy

of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase the materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

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

[Remainder of page intentionally left blank. Signature pages follow].

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

DISTRICT:

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

President

ATTEST:

Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

*District's Signature Page to Independent Contractor Agreement for General Engineering
Services with Dewberry Engineers, Inc., dated July 11, 2019*

CONTRACTOR:

Dewberry Engineers, Inc., a New York corporation

Printed Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2019, by _____, as the _____
of Dewberry Engineers, Inc.

WITNESS my hand and official seal.

My commission expires: _____

(S E A L)

Notary Public

EXHIBIT A
SCOPE OF SERVICES

The Scope of Services shall include general engineering services as approved by the District pursuant to written service/work orders executed by an authorized representative of the District and the Contractor.

EXHIBIT B
COMPENSATION SCHEDULE

The Compensation Schedule shall be as detailed on written service/work orders executed by an authorized representative of the District and the Contractor.

EXHIBIT B-1
CONTRACTOR'S COMPLETED W-9

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Dewberry Engineers Inc.		
2 Business name/disregarded entity name, if different from above		
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>5</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
5 Address (number, street, and apt. or suite no.) See instructions. 8401 Arlington Blvd.	Requester's name and address (optional)	
6 City, state, and ZIP code Fairfax, VA 22031		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
1	3			-	0	7	4	6	5 1 0

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Richard Goldstein

Date ► 01/10/2019

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

EXHIBIT C
CONTRACTORS RULES OF BUSINESS AND CONDUCT

EXHIBIT C
CONTRACTOR RULES OF BUSINESS AND CONDUCT

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

EXHIBIT D
RULES AND REGULATIONS

EXHIBIT D

RULES AND REGULATIONS

Contractor agrees as follows:

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

EXHIBIT E
INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 13 of the 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 \$1,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate. 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. blanket contractual;
 - d. broad form property damages, including completed operations;
 - e. medical payments;
 - f. products and completed operations;
 - g. independent consultants coverage;
 - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

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

EXHIBIT E-1
CERTIFICATE(S) OF INSURANCE

EXHIBIT F

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,

Dewberry Engineers Inc.

is an entity formed or registered under the law of New York, 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 20101399410.

This certificate reflects facts established or disclosed by documents delivered to this office on
paper through 07/09/2019 that have been posted, and by documents delivered to this office
electronically through 07/11/2019 @ 08:50:14.

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 07/11/2019 @ 08:50:14 in accordance with applicable law.
This certificate is assigned Confirmation Number 11677483.



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."



Dewberry Engineers Inc. 303.368.5601
8100 East Maplewood Avenue, www.dewberry.com
Suite 150
Greenwood Village, CO 80111

April 18, 2019

Ann Finn
District Manager
Special District Management Services Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228

RE: Southlands Metropolitan Districts No. 1
Proposal for District Engineering Services

Dear Ms. Finn,

Dewberry|J3 (Dewberry) is pleased to present this proposal for preliminary investigation and assessment of services required to support the repair and recertification of existing detention ponds, as well as landscaped median renovations within Southlands Metropolitan Districts No. 1 (SMD1).

This effort will include a review of any documentation (letters, inspection forms, etc.) you have received from the City of Aurora. In addition, we will meet with you to identify any additional assistance you may need to accomplish your infrastructure improvement goals.

The Dewberry project team is committed to providing you with superior service, technical excellence and timely project deliverables. Each assigned team member is highly qualified to lead the technical aspects of this project, while maintaining clear and open lines of communication. You are assured that Dewberry senior leadership will provide direct input and be involved throughout the life span of this effort.

We appreciate opportunity to submit this proposal for your review and consideration and look forward to working with you to deliver the project.

Respectfully submitted,
Dewberry | J3

A handwritten signature in black ink, likely belonging to a representative of Dewberry | J3, positioned below the typed name.

Scope of Services
District Engineering Services within Southlands Metropolitan District No. 1
April 18, 2019

Dewberry|J3 (Dewberry) proposes to perform the Scope of Services (Scope) herein for Special District Management Services Inc. (SDMS). This Scope places Dewberry in the role of owner's representative for initial inspection and evaluation of the facilities, and the preparation of an initial findings report and action plan to address issues and deficiencies identified by the City of Aurora.

The initial due diligence phase of this project includes investigation into the extent of work necessary to reestablish the detention ponds and drainage facilities to their original design and operational efficiencies. This will be accomplished through discussions with the City of Aurora and SDMS to define the ultimate project scope. Once defined, specific items/areas of concern will be delineated on an exhibit for SDMS to finalize the desired scope of work.

The District also intends to replace vegetation in several street medians with xeriscaping and remove associated irrigation facilities. The goal of this effort will be to reduce maintenance and minimize water use. In initial conversations with the City, the District was advised that a Site Plan Amendment will be required for this work. In this due diligence phase, Dewberry will investigate the City's requirements for conversion of these landscaped medians to xeriscaping. To accomplish this, we will meet with the City and SDMS to discuss the proposed renovations to the landscaped medians, and confirm the path for completion and approval.

This initial scope of work is to be provided on a time and materials basis with an estimated budget. If scope modifications are needed or requested by the SDMS, Dewberry will negotiate fees for any altered or additional items before commencing work. All quoted fees are based on the assumption that invoices will be paid within 30 days of receipt.

Project Scope

Phase I: Due Diligence

This is the initial step for delivering a successful final project and establishes the foundation by outlining the objectives, defining criteria, identifying the problematic conditions and challenges, and establishing project opportunities.

1. Drainage and Detention Facilities

a. Base Files

Dewberry will obtain previously approved drainage reports and associated stormwater detention plans used for construction of stormwater facilities within the Southlands Metropolitan District.

- b. Plan Review and Site Investigation
Dewberry will review approved plans used for construction of the associated stormwater facilities and compare them to the existing field conditions observed during the proposed site walk.

Field conditions will be assessed by way of a sight investigation walk (and drone flight to record conditions of the ponds.) comparing observable conditions to the original approved plans.

- c. Meeting with City Stormwater Inspection Group
Dewberry will reach out to the City to discuss the items presented in relevant inspection checklists or notification letters to determine the extent of work they will enforce.
- d. Preliminary Assessment Report
Dewberry will prepare a technical memorandum outlining issues observed and course of actions recommended.

2. Median Renovations

- a. Base Files
Dewberry will obtain record plan documents for the median improvements to be renovated. This will include geometric design, utilities and landscape improvement plans for what was originally constructed.
- b. Plan Review and Site Investigation
Dewberry will review the record plans used for construction of these facilities, compare them to the existing field conditions observed during the proposed site walk, and coordinate proposed renovations with District management.
- c. Meeting with City officials
Dewberry will review the proposed renovations with the City and confirm what they will require to complete the work, including a potential Site Plan Amendment (which was mentioned by the City in previous conversations).
- d. Preliminary Assessment Report
Dewberry will compile information from this phase of work, and present the District with a memorandum outlining process and plan requirements required to complete the median renovations.

Phase II: Resolve Detention Facility Deficiencies

We anticipate the following actions will be required, but more information will be known regarding the extent of the issues needing correction will be known upon completion of Phase I.

1. Meet with the City of Aurora at the site to get their endorsement of our plans to mitigate and maintain the facilities. This will enable us to address every issue the City may have at one time to manage costs during construction.
2. Prepare a punch list of items that will need to be addressed by a contractor.

3. Prepare Bid Documents and solicit bids from an appropriate number of contractors. (We have a list of Contractors which have been approved by the City of Aurora for this type of work.)
4. Monitor construction activity and verify punch list items have been addressed.
5. Prepare a close out letter for the District and corresponding compliance letter to the City.

Upon completion of Phase I, a more detailed scope and fee for Phase II work will be prepared and presented to SDMS for consideration.

Phase III: Oversight of Median Restorations

We have been advised that Southlands No. 1 also will need an engineer on call to coordinate and oversee construction performed by outside contractors (Comcast, Verizon, etc.). The District will need an engineer they can contact to confirm their remedial work has been performed correctly. In addition, assistance may be needed in support of a site plan amendment for the median renovation project. These tasks and other services can be negotiated as additional services, as needed

1. Site plan amendment documentation.
2. Prepare exhibits for proposed median restoration.
3. Coordinate approvals with the City of Aurora.
4. Prepare plans for the median renovations.
5. Prepare Bid Documents and solicit bids from an appropriate number of contractors. (We have a list of Contractors which have been approved by the City of Aurora for this type of work.)
6. Review work done by outside entities (water purveyors, franchise utility companies, and their contractors) to ensure compliance with City and District standards.
7. Monitor construction activity and verify punch list items have been addressed.
8. Prepare a close out letter for the District and corresponding compliance letter to the City.

Upon completion of Phase I, a more detailed scope and fee for Phase III work will be prepared and presented to SDMS for consideration.

Budget Delineation

Phase I: Data Collection and Due Diligence (T&M) \$5,000

TOTAL Phase I Estimated Budget (T&M) **\$5,000**

Note: Reimbursable expenses will be billed to the client at cost plus 15%.

Phase II: Resolve Detention Facility Deficiencies

Final Scope and Budget TBD

Phase III: Oversight of Median Restorations

Final Scope and Budget TBD

Specific Exclusions

Dewberry specifically excludes the following items from the proposal unless specifically included in this proposal. If said items are required by the Client, a separate contract can be prepared.

- i. Construction staking for any onsite or offsite improvements, including but not limited to; curb, gutter and asphalt, grading, utility line work, under drain system, lift stations, force mains, or structures such as box culverts, detention/water quality ponds, dams, bridges, or channel improvements.
- ii. Preparation of environmental impact studies, information for the Federal Insurance Administration, and/or processing information for the U.S. Army Corp of Engineer's Wetland Permit.
- iii. Condominium maps
- iv. Plot Plans, State Plane coordinate ties, Tree Surveys, or Record Drawings
- v. Geological/Soils Reports, Soils Engineering, or Pavement Design include sub-excavation plans.
- vi. Fugitive Dust and other Permits required for the construction of the project
- vii. Legal Descriptions, Survey Information and Drawings that are not specifically outlined in the Scope, including Lot Grading Checks, Improvement Location Certification Surveys.
- viii. Structural calculations of any kind, even for items called for on the civil plans.
- ix. Redesign of existing Engineering plans by other companies including modifications to approved drainage or utility reports
- x. ALTAs, design surveys or as-built surveys
- xi. Traffic Impact Analysis or Studies or Traffic Control Plans for this Site
- xii. As-built or Record Drawings for the construction of the site
- xiii. Off-site design (identified as anything not described within this project scope)
- xiv. Sleeving plans or design for dry utilities
- xv. Sound mitigation or Screen Wall design
- xvi. Plan and Zoning or Town Council meeting presentations or exhibits
- xvii. Floodplain modification or modeling
- xviii. Potholing of existing utilities
- xix. Title work for the site
- xx. Land acquisition services

Items Provided by Others

Dewberry assumes the following information will be provided, if necessary or not otherwise included in this proposal, by the Client or its trade partners as ancillary information for the completion of the provided Scope of Services.

- i. Existing Drainage and Utility studies and plans.
- ii. Fees required for review, approval and permitting.
- iii. Any supporting documents not specifically covered in the attached Scope of work will be provided by others.
- iv. All previous engineering drawings prepared for this Site both in hard copy and digital AutoCAD formats.
- v. Retaining wall structural design and cut sheets.
- vi. Existing Conditions Map and associated potholing and title work.

2019 RATE SCHEDULE

<u>TITLE/CATEGORY</u>	<u>HOURLY RATE</u>
Water Resources Manager	\$190
Senior Project Manager	\$160
Project Manager	\$150
Senior Project Engineer	\$140
Project Engineer	\$130
Design Engineer	\$125
Senior Civil Designer	\$115
Staff Engineer II	\$110
Civil Designer	\$100
Staff Engineer I	\$100
CAD Technician II	\$ 80
CAD Technician I	\$ 70
Administrative Assistant	\$ 85

Mileage will be billed at the prevailing IRS Federal mileage reimbursement rate.
All other expenses will be billed at actual cost.

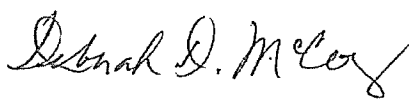
EXHIBIT B-1

CONTRACTOR'S COMPLETED W-9



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

MEMORANDUM

TO: Board of Directors
FROM: Deborah D. McCoy 
President
DATE: June, 2019
RE: Notice of Rate Restructuring

In accordance with the Management Agreement ("Agreement") between the District and Special District Management Services, Inc. ("SDMS"), as of August 1, 2019, the hourly rates described in Article III for all services provided by SDMS shall be subject to the following rate restructuring schedule.

District Management & Administration:

Senior Managers and Managers	\$140.00 - \$190.00
Assistant Managers & Admin. Coordinators	\$115.00 - \$150.00

Finance & Accounting:

Senior Accountants and Accountants	\$130.00 - \$160.00
Assistant Accountants & AP Coordinators	\$110.00 - \$150.00

Utility Billing Service: \$65.00

Operations, Maintenance and Field Services: \$75.00 - \$95.00

Community Management:

Managers and Assistant Managers	\$ 95.00 - \$140.00
Administrative Support	\$ 75.00 - \$140.00

SDMS is one of the few consultants that has not adopted a variable rate structure. We hope you will understand that, in order to keep up with the changes in our industry, it is beneficial to implement this rate restructuring so that we may continue to provide the best and most efficient management services you expect from SDMS.

We look forward to serving you for many years to come. Please feel free to speak directly with your current District Manager if you have questions.