

# SOUTHLANDS METROPOLITAN DISTRICT NO. 1

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## NOTICE OF WORK SESSION 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:**        **October 22, 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.

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B.        Approve Agenda; confirm location of the meeting and posting of meeting notices.

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C.        Review and discuss Denver Post article (enclosure).

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### II.       PUBLIC COMMENTS

A.        Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

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III. FINANCIAL MATTERS

- A. Budget Work Session (enclosure – draft 2020 Budget).

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1. Discuss ICA for 2020 operation and maintenance services.

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IV. LEGAL MATTERS

- A. Consider approval of ICA with Altura Land Consultants for surveying services in the amount of \$1,450 (enclosure).

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- B. Discuss enforcement of R-O-W Permits.

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V. OTHER MATTERS

- A.

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- VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 19, 2019 (BUDGET HEARING).**

peaceable offenses.

Gardner could try to deflect

progressive  
advocacy group.

spective, which you might expect given its association with

credit, none did.

Cahill didn't say the story



Denver.

# Business should lead push to end metro district abuse

By Tim Leonard  
Guest Commentary

"I would hire another manager," a Burger King franchisee told me when I asked what else he could do with the additional property tax he would have to pay to one of Colorado's many special taxing districts. He didn't have any doubts about the districts and their functions; he was just frustrated about not knowing if he would be getting value for tax payments that never seemed to end.

In my experience, evaluating and financially analyzing such districts for clients and municipalities, many have this same feeling. Most districts — which cities and counties authorize developers to create to pay for infrastructure using future taxpayer dollars — are properly planned, transparent, and only seek revenues to pay off necessary bonds. The development may have had enormous grading problems, contaminated ground, huge drainage problems or needed fancy amenities. The bonds issued to fund these chal-

lenges are paid back only by homeowners and businesses, so new development "pays its own way."

But, like anything else in life, the 80/20 rule has some districts giving everyone else a bad rap.

I was evaluating a new site for a Burger King restaurant a few years ago in Commerce City near a competitor. When I found out that the North Range Metropolitan District was imposing 88 mills on the land in addition to 27 mills from another district, the Commerce City North Infrastructure General Improvement District, I brought to the franchisee's attention that his competitor was paying \$56,000 a year to quasi-municipal districts. That's over and above the \$50,000 paid for schools, fire, water and sewer, libraries, and the city and county. At 218 mills, the property taxes were consuming 21.8% of the assessed value of that business! This was a payment his Burger King operation could not afford so he passed on the site.

Why aren't more retailers and businesses pushing back on the

metro district boards to lower their property tax levies? Most metro districts have small developer-controlled boards and, with a little financial analysis, they can determine that the property tax they control can be lowered as the development builds out and tax revenues increase.

And why don't city councils, who approve the formation of these districts, exercise a little more oversight and cap these districts' ability to shoot for the moon with such high mill levies?

The same applies to their review of the districts' annual report. Cities should run a few numbers to see if what could have been disposable income spent in their city is instead paying high-interest rate bonds sometimes for the profit of developers.

The problem, as always, is the very human tendency to find and exploit a loophole to enrich oneself at the expense of another. Some attorneys and developers can't help but bend the definition of "public improvements" to mean the private parking lots in front of the big-box retailer that

they would like to "incentivize" on the backs of the other taxpaying district members. Some town and city councils can't help but pass off their obligations for essential public infrastructure so they can spend more on non-essential items.

Council members breeze over boring financial statements and their staff rarely run any numbers to see what the developer is spending taxpayer money on. And when the cat is away, mice play. Bond underwriters, bond legal counsel, special district attorneys, bondholders, contractors, and accountants are all interested in receiving the money from just one source: the new taxpayers who had no voice in the district taxes save their "yes or no" to buy land in the district.

While the cost of these new high taxes can weigh heavily on the homeowner, the real killer is what these taxes do to the value of the operating business.

For example, \$43,000 of district taxes means \$43,000 less in net operating income. When that business is valued (to sell or bor-

row against) the buyer can only value the income at a preferred rate of return. If that investor wants a rate of return of 6%, then that loss of \$43,000 of income just cost that business owner \$717,000 in lost business value.

If more business owners understood this, they would get their pitchforks and demand that district boards review their tax rates every year.

The abuse of metro districts, and their siblings, business improvement districts, has escalated substantially in the past 10 years. This doesn't need a legislative fix — it just requires council members to exercise meaningful oversight.

Landowners must hold their district boards accountable. And developers and their attorneys need to get their hands out of someone else's cookie jar.

*Tim Leonard has been in the commercial real estate business in Denver metro for 35 years. He was a founding member of a downtown development authority and a board member of a large metropolitan district.*



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.CLAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Southlands Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Southlands Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the 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 the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted 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.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

Greenwood Village, Colorado  
\_\_\_\_\_, 2019



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PRELIMINARY DRAFT - SUBJECT TO REVISION

**SOUTHLANDS METRO DISTRICT NO. 1  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 3,582,807	\$ 3,692,975	\$ 3,852,503	\$ 3,852,503	\$ 4,230,664
REVENUES					
Property taxes	2,827,070	3,165,381	3,139,582	3,165,381	3,645,517
Specific ownership taxes	212,102	189,923	139,838	239,400	218,370
Net investment income	57,328	35,000	56,169	89,500	78,000
Other revenue	2,563	-	-	-	-
General operations fee	2,086,349	2,340,000	1,365,000	2,053,500	2,381,000
General operations fee - penalty	1,292	-	733	1,000	1,000
Permits and fees	-	-	20,000	20,000	-
Reimbursed expenditures	5,637	-	-	9,500	-
Total revenues	<u>5,192,341</u>	<u>5,730,304</u>	<u>4,721,322</u>	<u>5,578,281</u>	<u>6,323,887</u>
TRANSFERS IN	<u>50</u>	<u>709,487</u>	<u>-</u>	<u>-</u>	<u>922,555</u>
Total funds available	<u>8,775,198</u>	<u>10,132,766</u>	<u>8,573,825</u>	<u>9,430,784</u>	<u>11,477,106</u>
EXPENDITURES					
General and administrative	213,650	268,000	207,437	292,586	297,000
Operations and maintenance	1,844,881	2,340,000	891,770	2,072,000	2,390,000
Debt service	2,825,105	2,841,000	1,197,824	2,835,534	2,905,000
Capital projects	39,009	800,000	-	-	1,025,000
Total expenditures	<u>4,922,645</u>	<u>6,249,000</u>	<u>2,297,031</u>	<u>5,200,120</u>	<u>6,617,000</u>
TRANSFERS OUT	<u>50</u>	<u>709,487</u>	<u>-</u>	<u>-</u>	<u>922,555</u>
Total expenditures and transfers out requiring appropriation	<u>4,922,695</u>	<u>6,958,487</u>	<u>2,297,031</u>	<u>5,200,120</u>	<u>7,539,555</u>
ENDING FUND BALANCES	<u>\$ 3,852,503</u>	<u>\$ 3,174,279</u>	<u>\$ 6,276,794</u>	<u>\$ 4,230,664</u>	<u>\$ 3,937,551</u>
EMERGENCY RESERVE	\$ 7,100	\$ 15,500	\$ 16,200	\$ 17,100	\$ 18,300
O&M RESERVE	400,000	450,000	450,000	450,000	500,000
GOF RESERVE	500,000	-	220,000	500,000	500,000
SERIES 2017 A-1 RESERVE	1,687,625	1,687,625	1,687,625	1,687,625	1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 3,044,475</u>	<u>\$ 2,602,875</u>	<u>\$ 2,823,575</u>	<u>\$ 3,104,475</u>	<u>\$ 3,155,675</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>					
Commercial	\$ 63,249,735	\$ 61,598,185	\$ 61,598,185	\$ 61,598,185	\$ 71,823,437
State assessed	883,550	430	430	430	605,770
Vacant land	392,819	392,819	392,819	392,819	418,563
Personal property	6,171,928	6,788,920	6,788,920	6,788,920	6,614,255
Certified Assessed Value	<u>\$ 70,698,032</u>	<u>\$ 68,780,354</u>	<u>\$ 68,780,354</u>	<u>\$ 68,780,354</u>	<u>\$ 79,462,025</u>
<b>MILL LEVY</b>					
General	3.000	7.000	7.000	7.000	7.000
Debt Service Fund - Series 2017 A-1	33.500	34.000	34.000	34.000	34.000
Debt Service Fund - Series 2017 A-2	3.250	3.500	3.500	3.500	3.500
Total mill levy	<u>39.750</u>	<u>44.500</u>	<u>44.500</u>	<u>44.500</u>	<u>44.500</u>
<b>PROPERTY TAXES</b>					
General	\$ 212,094	\$ 481,462	\$ 481,462	\$ 481,462	\$ 556,234
Debt Service Fund - Series 2017 A-1	2,368,384	2,338,532	2,338,532	2,338,532	2,701,709
Debt Service Fund - Series 2017 A-2	229,769	240,731	240,731	240,731	278,117
Levied property taxes	2,810,247	3,060,725	3,060,725	3,060,725	3,536,060
Adjustments to actual/rounding	(17,694)	-	(25,799)	-	-
Refunds and abatements	(70,524)	-	-	-	-
Budgeted property taxes	<u>\$ 2,722,029</u>	<u>\$ 3,060,725</u>	<u>\$ 3,034,926</u>	<u>\$ 3,060,725</u>	<u>\$ 3,536,060</u>
<b>ASSESSED VALUATION</b>					
Commercial	\$ 2,941,761	\$ 2,840,551	\$ 2,840,551	\$ 2,840,551	\$ 2,999,470
State assessed	12,590	10	10	10	10
Vacant land	145	145	145	145	145
Personal property	282,259	237,402	237,402	237,402	219,696
Certified Assessed Value	<u>\$ 3,236,755</u>	<u>\$ 3,078,108</u>	<u>\$ 3,078,108</u>	<u>\$ 3,078,108</u>	<u>\$ 3,219,321</u>
<b>MILL LEVY</b>					
Debt Service Fund - Series 2017 A-1	33.500	34.000	34.000	34.000	34.000
Total mill levy	<u>33.500</u>	<u>34.000</u>	<u>34.000</u>	<u>34.000</u>	<u>34.000</u>
<b>PROPERTY TAXES</b>					
Debt Service Fund - Series 2017 A-1	108,431	104,656	104,656	104,656	109,457
Levied property taxes	108,431	104,656	104,656	104,656	109,457
Adjustments to actual/rounding	(3,390)	-	-	-	-
Budgeted property taxes	<u>\$ 105,041</u>	<u>\$ 104,656</u>	<u>\$ 104,656</u>	<u>\$ 104,656</u>	<u>\$ 109,457</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 205,436	\$ 481,462	\$ 477,404	\$ 481,462	\$ 556,234
Debt Service	2,621,634	2,683,919	2,662,178	2,683,919	3,089,283
	<u>\$ 2,827,070</u>	<u>\$ 3,165,381</u>	<u>\$ 3,139,582</u>	<u>\$ 3,165,381</u>	<u>\$ 3,645,517</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 974,340	\$ 983,016	\$ 998,741	\$ 998,741	\$ 1,274,017
REVENUES					
Property taxes	205,436	481,462	477,404	481,462	556,234
Specific ownership taxes	15,413	28,888	21,270	36,400	33,370
Net investment income	12,173	5,000	19,149	30,000	20,000
Permits and fees	-	-	20,000	20,000	-
Reimbursed expenditures	2,466	-	-	-	-
Other revenue	2,563	-	-	-	-
Total revenues	<u>238,051</u>	<u>515,350</u>	<u>537,823</u>	<u>567,862</u>	<u>609,604</u>
Total funds available	<u>1,212,391</u>	<u>1,498,366</u>	<u>1,536,564</u>	<u>1,566,603</u>	<u>1,883,621</u>
EXPENDITURES					
General and administrative					
Accounting	57,614	60,000	35,351	60,000	60,000
Auditing	5,500	6,000	5,500	5,500	6,000
County Treasurer's fee	3,077	7,202	7,162	7,202	8,344
Directors' fees	1,200	-	3,000	6,000	6,000
Dues and licenses	1,238	1,500	1,238	1,238	1,500
Insurance and bonds	29,754	45,000	27,146	27,146	40,000
District management	54,914	60,000	41,798	70,000	60,000
Legal services	50,871	35,000	50,206	75,000	60,000
Miscellaneous	422	1,000	247	500	1,000
Billing services	8,488	9,000	5,789	10,000	10,000
Election expense	572	-	-	-	2,000
Public Events	-	30,000	30,000	30,000	30,000
Contingency	-	13,298	-	-	12,156
Total expenditures	<u>213,650</u>	<u>268,000</u>	<u>207,437</u>	<u>292,586</u>	<u>297,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>709,487</u>	<u>-</u>	<u>-</u>	<u>922,555</u>
Total expenditures and transfers out requiring appropriation	<u>213,650</u>	<u>977,487</u>	<u>207,437</u>	<u>292,586</u>	<u>1,219,555</u>
ENDING FUND BALANCES	<u>\$ 998,741</u>	<u>\$ 520,879</u>	<u>\$ 1,329,127</u>	<u>\$ 1,274,017</u>	<u>\$ 664,066</u>
EMERGENCY RESERVE	\$ 7,100	\$ 15,500	\$ 16,200	\$ 17,100	\$ 18,300
O&M RESERVE	400,000	450,000	450,000	450,000	500,000
TOTAL RESERVE	<u>\$ 407,100</u>	<u>\$ 465,500</u>	<u>\$ 466,200</u>	<u>\$ 467,100</u>	<u>\$ 518,300</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SOUTHLANDS METRO DISTRICT NO. 1  
GENERAL OPERATIONS FEE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 251,541	\$ 350,000	\$ 500,000	\$ 500,000	\$ 500,000
REVENUES					
Net investment income	2,528	-	5,310	8,000	8,000
Reimbursed expenditures	3,171	-	-	9,500	-
General operations fee	2,086,349	2,340,000	1,365,000	2,053,500	2,381,000
General operations fee - penalty	1,292	-	733	1,000	1,000
Total revenues	<u>2,093,340</u>	<u>2,340,000</u>	<u>1,371,043</u>	<u>2,072,000</u>	<u>2,390,000</u>
Total funds available	<u>2,344,881</u>	<u>2,690,000</u>	<u>1,871,043</u>	<u>2,572,000</u>	<u>2,890,000</u>
EXPENDITURES					
Operations and maintenance					
Floral	245,292	275,000	95,724	275,000	275,000
Monthly cleaning	198,910	215,000	109,952	200,000	215,000
Pest control	-	10,000	-	10,000	10,000
Property maintenance	109,545	125,000	65,354	125,000	125,000
Landscape maintenance & irrigation repair	224,470	425,000	127,221	250,000	425,000
Property management	36,287	45,000	21,819	45,000	45,000
Repairs and maintenance	237,838	315,000	62,216	250,000	315,000
Security	55,896	78,000	30,047	65,000	78,000
Signage and decor	108,103	100,000	6,526	100,000	100,000
Snow removal	206,530	350,000	246,841	400,000	400,000
Street lighting/ striping	185,644	115,000	31,333	115,000	115,000
Street repairs/sidewalk	36,723	100,000	-	50,000	100,000
Street sweeping	22,860	24,000	13,335	24,000	24,000
Traffic signals maintenance	197	3,000	217	3,000	3,000
Utilities	176,586	160,000	81,185	160,000	160,000
Total expenditures	<u>1,844,881</u>	<u>2,340,000</u>	<u>891,770</u>	<u>2,072,000</u>	<u>2,390,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,844,881</u>	<u>2,340,000</u>	<u>891,770</u>	<u>2,072,000</u>	<u>2,390,000</u>
ENDING FUND BALANCES	<u>\$ 500,000</u>	<u>\$ 350,000</u>	<u>\$ 979,273</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
GOF RESERVE	<u>\$ 500,000</u>	<u>\$ 350,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
TOTAL RESERVE	<u>\$ 500,000</u>	<u>\$ 350,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



**SOUTHLANDS METRO DISTRICT NO. 1  
 GENERAL OPERATIONS FEE FUND - REPAIRS AND MAINTENANCE  
 2020 BUDGET**

**WITH 2018 ACTUAL AND 2019 ESTIMATED  
 For the Years Ended and Ending December 31,**

10/10/19

ESTIMATED	BUDGET
2019	2020

REPAIRS AND MAINTENANCE

Banners	\$	45,000	\$	65,000
Retaining wall repairs/replace caps		55,000		65,000
Tree replacement/removal		25,000		115,000
Fountains/chemicals		25,000		15,000
Contingency/other		50,000		35,000
Street light painting		50,000		-
Detention pond		-		20,000
<b>TOTAL</b>		<b>\$ 250,000</b>		<b>\$ 315,000</b>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

SOUTHLANDS METRO DISTRICT NO. 1  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 2,218,963	\$ 2,269,446	\$ 2,252,817	\$ 2,252,817	\$ 2,354,202
REVENUES					
Property taxes	2,621,634	2,683,919	2,662,178	2,683,919	3,089,283
Specific ownership taxes	196,689	161,035	118,568	203,000	185,000
Net investment income	40,686	30,000	30,807	50,000	50,000
Total revenues	<u>2,859,009</u>	<u>2,874,954</u>	<u>2,811,553</u>	<u>2,936,919</u>	<u>3,324,283</u>
Total funds available	<u>5,077,972</u>	<u>5,144,400</u>	<u>5,064,370</u>	<u>5,189,736</u>	<u>5,678,485</u>
EXPENDITURES					
Debt Service					
Bond interest - Series 2017 A-1	2,130,500	2,117,600	1,058,800	2,117,600	2,104,250
Bond interest - Series 2017 A-2	188,225	187,175	93,588	187,175	185,975
Bond principal - Series 2017 A-1	430,000	445,000	-	445,000	510,000
Bond principal - Series 2017 A-2	35,000	40,000	-	40,000	45,000
Contingency	1,607	8,466	-	-	7,936
County Treasurer's fee	39,273	40,259	39,936	40,259	46,339
Paying agent fees	500	2,500	5,500	5,500	5,500
Total expenditures	<u>2,825,105</u>	<u>2,841,000</u>	<u>1,197,824</u>	<u>2,835,534</u>	<u>2,905,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,825,155</u>	<u>2,841,000</u>	<u>1,197,824</u>	<u>2,835,534</u>	<u>2,905,000</u>
ENDING FUND BALANCES	<u>\$ 2,252,817</u>	<u>\$ 2,303,400</u>	<u>\$ 3,866,546</u>	<u>\$ 2,354,202</u>	<u>\$ 2,773,485</u>
SERIES 2017 A-1 RESERVE	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

SOUTHLANDS METRO DISTRICT NO. 1  
 CAPITAL PROJECTS FUND  
 2020 BUDGET  
 WITH 2018 ACTUAL AND 2019 ESTIMATED  
 For the Years Ended and Ending December 31,

10/10/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 137,963	\$ 90,513	\$ 100,945	\$ 100,945	\$ 102,445
REVENUES					
Net investment income	1,941	-	903	1,500	-
Total revenues	<u>1,941</u>	<u>-</u>	<u>903</u>	<u>1,500</u>	<u>-</u>
TRANSFERS IN					
Transfers from other funds	<u>50</u>	<u>709,487</u>	<u>-</u>	<u>-</u>	<u>922,555</u>
Total funds available	<u>139,954</u>	<u>800,000</u>	<u>101,848</u>	<u>102,445</u>	<u>1,025,000</u>
EXPENDITURES					
Capital Projects					
Capital outlay	39,009	-	-	-	-
Refresh	-	600,000	-	-	800,000
Medians	-	200,000	-	-	225,000
Total expenditures	<u>39,009</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>1,025,000</u>
Total expenditures and transfers out requiring appropriation	<u>39,009</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>1,025,000</u>
ENDING FUND BALANCES	<u>\$ 100,945</u>	<u>\$ -</u>	<u>\$ 101,848</u>	<u>\$ 102,445</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's  
 compilation report and summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1  
2020 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  
2020 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  
2020 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  
2020 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 2020, as defined under TABOR.

**Debt Service Reserve**

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

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

**This information is an integral part of the accompanying budget.**

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 43,815,000</u>	<u>\$ 41,283,000</u>	<u>\$ 85,098,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 3,870,000</u>	<u>\$ 3,650,500</u>	<u>\$ 7,520,500</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 47,685,000</u>	<u>\$ 44,933,500</u>	<u>\$ 92,618,500</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

INDEPENDENT CONTRACTOR AGREEMENT  
Design Topographic Survey

This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the "Agreement"), is entered into as of the 26th day of September, 2019, by and between SOUTHLANDS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and Altura Land Consultants, a Colorado corporation (the "Contractor"). The District and the Contractor are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

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

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

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

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

WHEREAS, the 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, including, without limitation, 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 26<sup>th</sup> of September 2019 and shall terminate on the earlier to occur of: (i) termination pursuant to Section 20 hereof; (ii) completion of the Services.

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 the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

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

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The 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 25<sup>th</sup> 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 10<sup>th</sup> of each month, during the term of the Agreement and shall contain the following information:

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

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

8. 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 forty-five (45) 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 payment of 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 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 its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Contractor shall be responsible for its safety, 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 deems 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 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.

16. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the services contemplated in the Agreement. The Contractor, for itself, hereby

waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 17(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, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including reasonable legal expenses and attorneys' fees, by the degree or percentage of negligence or fault arising directly or indirectly, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. The Contractor is not obligated to indemnify the District for the District's own negligence. 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.

b. The Contractor will at all times defend, indemnify and hold the District and its directors, officers, managers, agents and employees harmless against any liability for claims and liens for labor performed or materials used or furnished in the performance of Contractor's Services, including any costs and expenses incurred in the defense of such claims and liens, reasonable attorneys' fees and any damages to the District resulting from such claims or liens. After written demand by the District, the Contractor will immediately cause the effect of any suit or lien to be removed from the District's property. In the event the Contractor fails to do so, the District is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed, and the costs thereof, together with reasonable attorneys' fees, will be immediately due and payable by the Contractor or may, at the District's option, be offset against any sums due and payable to Contractor pursuant to this Agreement. In the event a suit on such claim or lien is brought, the Contractor will, at the option of the District, defend said suit at its own cost and expense, with counsel satisfactory to the District and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the Court in such suit. The Contractor may litigate any such lien or suit, provided the Contractor causes the effect thereof to be removed promptly in advance from the District's property.

c. This indemnity coverage shall also cover the District's defense costs in the event that the District, in its sole discretion, elects to provide its own defense. The District retains the right to disapprove counsel, if any, selected by the Contractor to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised. Insurance coverage requirements specified in the 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 for the District's protection in the performance of this Agreement. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

18. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment, 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](mailto: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](mailto:cwaldron@wbapc.com)

Contractor: Altura Land Consultants  
6950 S. Tucson Way Unit C  
Centennial, CO 80112  
Attn: Jesse Lugo, PLS  
(720) 448-1303 (phone)  
[jesse@alturland.com](mailto:jesse@alturland.com)

23. AUDITS. 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 Arbitrator 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 Arbitrator 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 AND PERMITS. 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 the applicable building code and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Work. All materials 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.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to the Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.



b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the District shall, at the request of the District, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with the Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in Exhibit B and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in Exhibit B, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the District, unless otherwise agreed to by the District.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the District may withhold payment until such warranty issues are resolved to the District's satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the District as set forth in this Agreement, in addition to any other remedy, the District may withhold any payment the District may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the District of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with the Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses and other consents required from all governmental authorities, utility companies and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all of the terms and conditions of all permits, licenses and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the District shall, at the request of the District, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with the Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in Exhibit B and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in Exhibit B, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the District, or within such other reasonable time as agreed to by the Parties, the District may correct or replace the defective Work and the Contractor shall reimburse the District for the related costs and fees.

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 Design Topographic  
Survey Services with [Altura Land Consultants], dated \_\_\_\_\_, 2019*

Altura Land Consultants:

\_\_\_\_\_

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

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

STATE OF COLORADO )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2019, by \_\_\_\_\_, as the \_\_\_\_\_  
of Altura Land Consultants.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

(S E A L)

\_\_\_\_\_  
Notary Public

*Contractor's Signature Page to Independent Contractor Agreement for Design Topographic  
Survey Services with Southlands Metropolitan District No. 1, dated \_\_\_\_\_,  
2019*

**EXHIBIT A**  
**SCOPE OF SERVICES**

**Design Topographic Survey**

A Design Grade Topography, including improvements, will be provided with 1' contours with sufficient spot elevations within the area outlined below.

We will identify and locate all surface structures including but not limited to roadways, drainage ways, driveways, buildings, fences, trees with diameter greater than 2", visibly above ground utilities, etc.

Project control points will be set around the perimeter of the area for verification and development of proposed improvements and will be tied into previous control used for initial development of area.

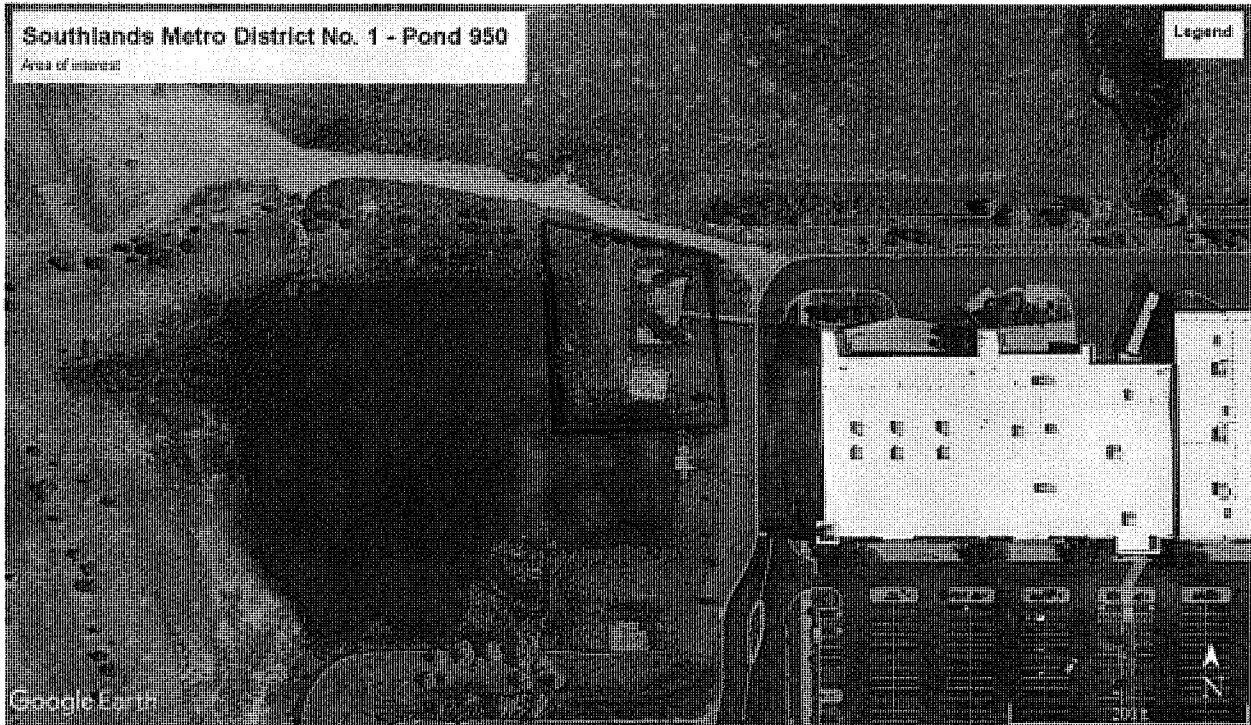
Deliverables will be in the form of a CAD drawing file, including xml file, PDF and hard copied as may be requested.

Underground utility locates are not included.

**EXHIBIT B**  
**COMPENSATION SCHEDULE**

Pricing includes all labor, travel, accommodations, materials, research, and deliverables to client.  
UG Locates are not included.

Topographic Survey per above ..... \$1,450.00



# EXHIBIT B-1 CONTRACTOR'S COMPLETED W-9

Form **W-9**  
(Rev. November 2017)  
Department of the Treasury  
Internal Revenue Service

## Request for Taxpayer Identification Number and Certification

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

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p><b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>Altura Land Consultants</b></p> <p><b>2</b> Business name/disregarded entity name, if different from above</p> <p><b>3</b> 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.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC    <input type="checkbox"/> C Corporation    <input type="checkbox"/> S Corporation    <input type="checkbox"/> Partnership    <input type="checkbox"/> Trust/estate</p> <p><input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ <b>S</b></p> <p><small>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.</small></p> <p><input type="checkbox"/> Other (see instructions) ▶</p> <p><b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) <b>5</b></p> <p>Exemption from FATCA reporting code (if any) <b>N/A</b></p> <p><small>Marked to account maintained within the U.S.</small></p> <p><b>5</b> Address (number, street, and apt. or suite no.) See instructions. <b>6950 S. Tucson Way, Unit C</b></p> <p><b>6</b> City, state, and ZIP code <b>Centennial, CO 80112</b></p> <p><b>7</b> List account number(s) here (optional)</p>	Requester's name and address (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.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
4	6	-	4	4	6	4	4	0	8

**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.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

**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](http://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**

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 SENSITNE 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 HA VE 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.



Altura Land Consultants:

\_\_\_\_\_

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

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

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF \_\_\_\_\_        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2019, by \_\_\_\_\_, as the \_\_\_\_\_  
of Altura Land Consultants.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

(S E A L)

\_\_\_\_\_

Notary Public

***Contractor's Signature Page to Independent Contractor Agreement for Design Topographic  
Survey Services with Southlands Metropolitan District No. 1, dated \_\_\_\_\_,  
2019***

## 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 place specified by Owner. If Owner shall provide or designate a service for picking up refuse and garbage, Contractor shall use same 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. If applicable: Contractor shall secure and maintain a third party fidelity bond in favor of the District covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities, or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.
5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

# EXHIBIT E-1 CERTIFICATE(S) OF INSURANCE



## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/9/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Hall & Company 10660 10th Ave NE Poulsbo WA 98370	<b>CONTACT NAME:</b> Jim Ledbetter <b>PHONE (AC, Ho, Ext):</b> 360-626-2019 <b>FAX (AC, No):</b> 360-626-2019 <b>E-MAIL ADDRESS:</b> jedbetter@hallandcompany.com
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Altura Land Consultants LLC 6950 Tucson Way, Suite C Centennial CO 80112	<b>INSURER A:</b> RLI INSURANCE COMPANY <b>NAIC #</b> 13056 <b>INSURER B:</b> AXIS Insurance Company <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>

**COVERAGES**      **CERTIFICATE NUMBER: 653450701**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSUR LTR	TYPE OF INSURANCE	ADOL	INSUR	WFO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER				FS60007424	1/1/2019	1/1/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ex occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY				PSA0002471	1/1/2019	1/1/2020	COMBINED SINGLE LIMIT (Ex accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000				FS60003705	1/1/2019	1/1/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in HI) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below			N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Professional Liability/Errors and Omissions				AEAD03115022019	1/1/2019	1/1/2020	Per Claim Aggregate \$2,000,000 \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 991, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  Southlands Metropolitan District No. 1 141 Union Blvd Suite 150 Lakewood CO 80228 USA	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**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,

Altura Land Consultants, LLC

is a

Limited Liability Company

formed or registered on 11/07/2008 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20081590897 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 10/08/2019 that have been posted, and by documents delivered to this office electronically through 10/09/2019 @ 12:23:03 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 10/09/2019 @ 12:23:03 in accordance with applicable law. This certificate is assigned Confirmation Number 11846676 .



*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."*