BKD LLP
CPAs & Advisors

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September 27, 2013

Ms. Divena Mortimeyer
Senior Accountant
c/o Special District Management Services, Inc.
141 Union Boulevard
Suite 150
Lakewood, CO 80228

Re: Beebe Draw Farms Authority and Beebe Draw Farms Metropolitan Districts No. 1 and No. 2

Dear Ms. Mortimeyer:

Beebe Draw Farms Authority and Beebe Draw Farms Metropolitan Districts No. 1 and No. 2 (Beebe Draw) have a fiduciary duty to remain financially accountable to the public and their constituents, while providing the services they desire. Simultaneously, Beebe Draw faces the daily challenge of managing resources, while demonstrating your effectiveness at providing these services. Beebe Draw needs objective, independent audit services from a reputable CPA and advisory firm. As the provider of choice for government entities nationwide, we believe **BKD, LLP** is that firm.

Our commitment to governments and special districts includes leadership in national and state associations and participation in the development of governmental accounting and auditing standards. We know special districts are unique entities that require an understanding of a number of accounting and reporting nuances. Beebe Draw's proposed engagement team has a broad base of knowledge and specialized skills to advise and deliver alternative approaches to help ease the audit process.

We believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us at 303.861.4545 or by email as provided below

Sincerely,

Paul R. Masar, CPA
Manager
pmasar@bkd.com

C. Travis Webb, CPA
Managing Partner
twebb@bkd.com

experience BKD

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Financial Statement Audit Service Description

BKD's audit approach focuses on areas of high risk—the unique characteristics of Beebe Draw's operating environments, the design effectiveness of your internal controls and your financial statement amounts and disclosures. The objective is to express an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America.

BKD is well prepared to meet Beebe Draw's specific needs, as our audit tools, resources and infrastructure are designed to efficiently manage and disseminate our industry knowledge.

We can ramp up quickly on industry-specific trends and issues, because from staff level to partner, we are exposed to particular industries' issues day in, day out, rather than just periodically. Any audit we perform involves a high level of partner and manager involvement, and BKD team members assigned to Beebe Draw's audits will have a deep understanding of and technical training in your particular industry.

Your Investment

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend and the level of professional staff needed.

Proposed Fees

Beebe Draw Farms Authority and Beebe Draw Farms Metropolitan Districts No. 1 and No. 2	
For the Year-Ending December 31	**2013**
Financial Statement Audit for Beebe Draw Farms Authority	$6,750
Financial Statement Audit for Beebe Draw Farms Metropolitan District No. 1	$5,750
Financial Statement Audit for Beebe Draw Farms Metropolitan District No. 2	$4,500
Total Fees	**$17,000**

In addition, you will be billed travel costs, if any, and an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

Our estimate of fees does not include any time that may be required to address a restatement of the previously audited financial statements. Accordingly, any such work will be billed based on our hourly rates, which we can provide.

Your BKD Engagement Team

The most critical factor in providing you high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.

- C. Travis Webb, CPA – Engagement Partner
- Paul R. Masar, CPA – Engagement Senior Manager

Why Choose BKD

BKD Delivers Value

It is important to monitor expenditures and receive exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board and American Institute of Certified Public Accountants (AICPA) peer reviews demonstrate the firm's record of excellence.

As evidenced by our inclusion in **INSIDE Public Accounting**'s 2011 and 2012 Best of the Best Firms lists, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help Beebe Draw address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.

Government Expertise

BKD National Governmental Group works with more than 400 government clients nationwide. We can leverage best practices learned from working with other government entities to help Beebe Draw identify areas that may require attention, help increase operational efficiencies and **experience guidance**.

In addition, our commitment to governmental entities includes being a leader in national and state associations, as well as in the development of governmental accounting and auditing standards. Our experience also has enabled us to establish connections with:

- Governmental Accounting Standards Board
- Office of Management and Budget
- U.S. Government Accountability Office
- AICPA Governmental Audit Quality Center, as a member

Our industry experience and our involvement with national and state trade associations, including the Colorado Special District Association, means we have the expertise needed to help Beebe Draw with fiscal accountability, resource management, performance measurement, budgeting and debt administration.

Special District Expertise

BKD performs audits and agreed-upon procedures engagements for approximately 200 municipal utility districts and other special districts annually. Our advisors with special district experience understand the industry's challenges and can provide support, helping you remain current on industry issues affecting your district.

Proactive Planning & Communication

One of the first things you will notice about BKD is our industry professionals are in communication with you. We pay careful attention to the challenges you face to offer timely, proactive advice resulting in a better client relationship. This knowledge sharing between your team and ours can be beneficial in identifying effective and proactive solutions.

Thought Leadership

BKD advisors are serious about reinforcing and strengthening their positions as thought leaders in the industries they serve. To keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware** webinars, seminars and articles. Many of these are eligible for continuing professional education credit. Topics include:

- GASB Statement No. 65 Means More Changes in Governmental Financial Reporting
- Implementing the New Governmental Fund Balance Reporting Standards
- The Well-Structured Public Sector Audit Committee

Unmatched Client Service

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that sets the firm's expectations for serving clients. Those five standards are Integrity First, True Expertise, Professional Demeanor, Responsive Reliability and Principled Innovation.

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. The information provided in this proposal is intended for informational purposes only and may not be copied, used or modified, in whole or in part, without BKD's prior written approval. All statistics, numbers and representative clients presented in this proposal are as of May 31, 2012.