

**BUDGET RESOLUTION
(2015)**

The Board of Directors of Fossil Ridge Metropolitan District No. 1, County of Jefferson, Colorado (the "District") held a special meeting at 6465 S. Greenwood Plaza Blvd., Suite 700, Centennial, Colorado, on Tuesday, December 9, 2014, at the hour of 10:30 A.M.

The following members of the Board of Directors (the "Board") were present:

John Warnick
Ashley Snedden
Neil Simpson
Marc Savela

Also present were: Kristen D. Bear, Esq., White Bear Ankele Tanaka & Waldron, P.C., District General Counsel; Jennie Heinze, Overlook Property Management, District Manager; Virginia Hemphill, Simmons & Wheeler, P.C., District Accountant.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106 C.R.S.

NOTICE AS TO PROPOSED 2015 BUDGET

The Denver Newspaper Agency

PUBLISHER'S AFFIDAVIT

**City and County of Denver)
State of Colorado)
)**

The undersigned **Jean Birch** being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of the Denver Newspaper Agency, publisher of *The Denver Post* and *Your Hub*.
2. *The Denver Post* and *Your Hub* are newspapers of general circulation that have been published continuously and without interruption for at least fifty-two weeks in Denver County and meet the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in *Your Hub* for Lakewood (including the counties of Jefferson and Denver) on the following date(s):

December 4, 2014

Jean Birch

Signature

Subscribed and sworn to before me this 4 day of December, 2014.

Cheryl L Schmid

Notary Public

CHERYL L. SCHMID
 NOTARY PUBLIC
 STATE OF COLORADO
 NOTARY ID 20094029973
 MY COMMISSION EXPIRES SEPTEMBER 14, 2017

(SEAL)

NOTICE AS TO PROPOSED 2015 BUDGET AND NOTICE AS TO AMENDED 2014 BUDGET

NOTICE IS HEREBY GIVEN that proposed budgets have been submitted to the **FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3** (collectively the "Districts") for the year of 2015. A copy of each of the proposed budgets is on file in the office of Simmons & Wheeler, P.C., 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2014 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Simmons and Wheeler, 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a special meeting of the Districts to be held at 6465 S. Greenwood Plaza Blvd., Ste. 700, Centennial, Colorado, on **Tuesday, December 9, 2014 at 10:30 A.M.** Any interested elector of the Districts may inspect the proposed budgets and amended budgets and file or register any objections at any time prior to final adoption of the budgets and amended budgets.

**BY ORDER OF THE BOARDS OF DIRECTORS:
FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3**

PUBLISHED IN: *Lakewood Hub*
 PUBLISHED ON: Thursday, December 4, 2014

Thereupon, Director Snedden introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2015 AND ENDING ON THE LAST DAY OF DECEMBER 2015.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 9, 2014, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Summary of 2015 Revenues and 2015 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2015, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2015. In the event of recertification of values by the County Assessor's Office after the date of

adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2015 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2015 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2015 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget and budget message with the Division of Local Government by January 30 of the ensuing year.

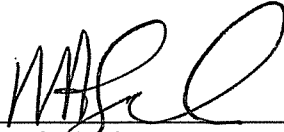
Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Simpson.

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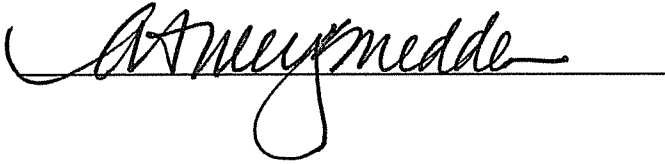
RESOLUTION APPROVED AND ADOPTED THIS 9TH DAY OF DECEMBER, 2014.

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1



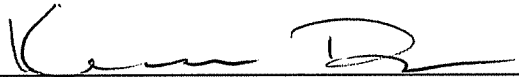
Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Tuesday, December 9, 2014, at 6465 S. Greenwood Plaza Blvd., Suite 700, Centennial, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of December, 2014.

A handwritten signature in black ink, appearing to read "L. Meymedde", is written over a horizontal line. The signature is cursive and extends slightly above and below the line.

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
2015
BUDGET MESSAGE

Attached please find a copy of the adopted 2015 budget for Fossil Ridge Metropolitan District No. 1.

The Fossil Ridge Metropolitan District No. 1 has adopted three separate funds, a General Fund to provide for the payment of operating, grounds, retreat, utilities and sewer operations expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the Fossil Ridge Metropolitan Districts and transfers to the General Fund; and a Debt Service Fund to provide for payments on the outstanding revenue refunding bonds.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenues for the District in 2015 will be developer advances, homeowner assessments, development fees, storm drainage and sewer fees, and transfers of property taxes from Fossil Ridge Metropolitan Districts No. 2 and No. 3. The District does not intend to impose a mill levy on property within the District for 2015.

Fossil Ridge Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2015

	Actual 2013	Adopted Budget 2014	Actual 6/30/2014	Estimate 2014	Adopted Budget 2015
Beginning fund balance	\$ 55,578	\$ -	\$ 61,924	\$ 61,924	\$ -
Revenues:					
Homeowner fees (825 homes @ 189/qr)	349,662	528,000	247,228	528,000	623,700
Sewer service fees (\$206.40/year)	80,047	113,520	51,771	113,520	192,060
Sewer operations fees (\$54/year)	24,239	29,700	17,729	29,700	57,356
Sewer admin fee (\$24/year)	11,064	13,200	7,032	13,200	19,800
Amenity user fees	54,014	40,000	23,712	40,000	55,000
Amenity user cleaning	-	6,000	-	-	-
Developer advances	62,463	79,580	150	150	-
Transfer from District No. 2	-	-	-	-	83,154
Transfer from District No. 3	-	-	-	-	85,191
Transfer from capital projects	-	-	-	12,000	200,000
Miscellaneous income	4,590	-	2,784	2,926	739
Total revenues	586,079	810,000	350,406	739,496	1,317,000
Total funds available	641,657	810,000	412,330	801,420	1,317,000
Expenditures:					
<u>Property management:</u>					
Accounting	3,181	4,000	1,463	4,000	20,000
Audit (No.1, 2 & 3)	7,500	10,000	7,500	10,000	10,000
Legal	11,079	10,000	5,673	12,500	50,000
Insurance (No.1, 2 & 3)	28,152	28,000	28,593	29,000	40,000
Office administrative	3,559	4,000	3,317	7,000	9,000
Property management	21,018	27,000	12,933	27,000	34,119
Website	2,677	1,000	2,385	3,000	1,500
<u>Grounds:</u>					
Snow removal	12,681	30,000	11,947	30,000	40,000
Pest control	-	4,000	-	4,000	4,000
Landscape contract	53,519	75,000	38,845	75,000	95,000
Winter watering	-	6,000	-	6,000	6,000
Irrigation repair	21,615	27,000	20,691	27,000	40,000
Tree & shrub maint/rep	17,890	40,600	786	40,600	65,000
Common area flowers/maint	4,725	8,000	5,000	8,000	8,000
Backflow testing	-	1,000	-	1,000	1,000
General contract maintenance	-	1,300	-	1,300	1,300
Light maintenance/replacement	1,577	8,000	12	8,000	8,000
Tree & shrub spraying	-	17,000	228	17,000	17,000
Playground Maintenance	-	-	110	400	-
Fence repair	-	3,000	-	3,000	3,000
Artwork	-	3,000	-	3,000	3,000
Signs	-	1,000	-	1,000	1,000
<u>Retreat:</u>					
Retreat concrete & fountain repair	-	-	-	-	50,000
Trash removal	4,302	4,200	2,291	4,200	5,300
Telephone/gate system	3,977	4,700	2,504	4,700	4,700
Security patrol	2,193	5,000	2,540	5,000	8,160
Gate system	3,364	3,000	-	3,000	3,000
Clubhouse plant maintenance	2,750	3,000	1,750	3,000	3,000
Facilities management	92,019	99,500	40,370	99,500	110,000
Pool maintenance	6,580	6,000	323	6,000	11,000
Pool supplies/chemicals	8,837	12,000	2,566	12,000	12,000
Clubhouse supplies	2,881	3,700	400	3,700	3,700
Pool furniture	5,706	6,200	6,544	6,600	8,670
Retreat maintenance	14,183	8,000	1,574	8,000	29,151
Access cards	-	1,200	-	1,200	1,200
Janitorial	8,177	10,000	4,158	10,000	10,000
Seasonal decorations	1,940	3,000	-	3,000	7,000
Neighborhood events	701	4,000	5,189	6,000	7,000
Amenity users' expenses	15,093	6,000	7,371	8,000	18,000
<u>Sewer operations:</u>					
Sewer service fees - homeowner	81,178	113,520	52,353	113,520	192,060
Sewer operations fees - homeowner	24,806	29,700	18,030	29,700	57,356
Property management - sewer admin	11,539	9,000	6,558	9,000	19,800
Sewer Maintenance/Cleaning	-	-	3,110	3,500	40,000
<u>Utilities:</u>					
Water	70,582	110,000	11,679	110,000	120,000
Sewer service fees - rec center	1,469	1,000	825	1,000	2,200
Gas/electricity	28,283	33,000	9,987	33,000	36,000
Contingency	-	1,841	-	-	64,298
Emergency reserve (3%)	-	23,539	-	-	36,486
Total expenditures	579,733	810,000	319,605	801,420	1,317,000
Ending fund balance	\$ 61,924	\$ -	\$ 92,725	\$ -	\$ -
Assessed valuation	\$ 3	\$ -	\$ -	\$ -	\$ -
Mill Levy	0.000	0.000	0.000	0.000	0.000

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2015

	Actual <u>2013</u>	Adopted Budget <u>2014</u>	Actual <u>6/30/2014</u>	Estimate <u>2014</u>	Adopted Budget <u>2015</u>
Beginning fund balance	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	1,672,686	8,190,400	2,892,453	3,183,372	5,698,225
Development fees (275 homes @\$4,200))	716,000	621,600	297,200	621,600	1,155,000
Storm drainage fees (275 homes @\$1,000)	179,000	148,000	71,000	148,000	275,000
Sewer fees (275 homes @\$261)	46,719	38,628	18,531	38,628	71,775
Reimbursements	-	-	-	-	-
Interest income	20	1,372	306	400	-
Transfer from District #3	-	4,400,000	-	9,039,585	-
Transfer from District #2	-	4,400,000	-	-	-
Total revenues	<u>2,614,425</u>	<u>17,800,000</u>	<u>3,279,490</u>	<u>13,031,585</u>	<u>7,200,000</u>
Total funds available	<u>2,614,425</u>	<u>17,800,000</u>	<u>3,299,490</u>	<u>13,051,585</u>	<u>7,200,000</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Accounting	12,726	16,000	5,853	16,000	16,000
Legal	40,277	40,000	24,465	40,000	40,000
Miscellaneous	-	4,000	5,296	5,296	4,000
Capital expenditures	2,529,964	8,940,000	3,263,876	3,938,704	6,940,000
Repay developer principal	-	8,800,000	-	9,039,585	-
Repay developer interest	11,458	-	-	-	-
Transfer to General - devel fees	-	-	-	12,000	200,000
Transfer to Debt Service - reserve	-	-	-	-	-
Total expenditures	<u>2,594,425</u>	<u>17,800,000</u>	<u>3,299,490</u>	<u>13,051,585</u>	<u>7,200,000</u>
Ending fund balance	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2015

	Actual 2013	Adopted Budget 2014	Actual 6/30/2014	Estimate 2014	Adopted Budget 2015
Beginning fund balance	\$ 992,334	\$ 1,105,000	\$ 1,109,840	\$ 1,109,840	\$ 1,383,000
Revenues:					
Bond proceeds	-	-	-	-	-
Transfer from District #2	371,508	255,858	416,269	428,858	357,613
Transfer from District #3	378,241	316,986	475,347	491,486	367,852
Transfer from Capital Fund - devel fees	-	-	-	-	-
Transfer from Capital Fund - reserve	-	-	-	-	-
Reimbursements	-	-	-	-	-
Interest income	132	1,156	65	156	535
Total revenues	<u>749,881</u>	<u>574,000</u>	<u>891,681</u>	<u>920,500</u>	<u>726,000</u>
Total funds available	<u>1,742,215</u>	<u>1,679,000</u>	<u>2,001,521</u>	<u>2,030,340</u>	<u>2,109,000</u>
Expenditures:					
Bond interest - 2010 bonds	605,375	603,563	301,781	603,563	601,025
Bond principal - 2010 bonds	25,000	35,000	-	35,000	45,000
Bond interest - 2014 bonds	-	-	-	-	-
Bond principal - 2014 bonds	-	-	-	-	-
Bond LOC fee	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Trustee / paying agent fees	2,000	9,437	-	8,777	8,975
Total expenditures	<u>632,375</u>	<u>648,000</u>	<u>301,781</u>	<u>647,340</u>	<u>655,000</u>
Ending fund balance	<u>\$ 1,109,840</u>	<u>\$ 1,031,000</u>	<u>\$ 1,699,740</u>	<u>\$ 1,383,000</u>	<u>\$ 1,454,000</u>
Assessed valuation	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>