

Fossil Ridge Metropolitan Districts 1, 2 & 3 ("District" or "Solterra")

2021 Business Plan Update

This update is provided through December 31, 2021, and includes information presented at the January 10, 2022, Board meeting. **We refer you to the January 11th, March 15th, May 24th, July 12th, August 30th, September 22nd (budget), September 28th (special), October 28th, and December 6th 2021 Board meetings, respectively, for detailed operational updates.**

Please note the current status as of January 27, 2022 can be found below each individual goal.

2021 Business Plan

The Business Plan for 2021 is following the founding documents, i.e., the Second Amended and Restated Service Plan, and is focused on perpetuating the well-being and fairness of residents, while keeping Solterra a highly desirable community within the Denver area, while staying within prudent financial limits.

The goals for 2021 include:

1. Governance

- a. Define and use "dashboards" to measure success of 2021 Plan (reviewing status of Business Plan 2 times a year at a Board meeting).
Status: This item was accomplished by implementing the Board approved budget variance reporting.
- b. Semiannual reporting to residents on the status of the Community.
Status: The Board issued an interim update report as of June 30, 2021 and this report represents that annual report. In addition, there has been a concerted effort to keep the community updated with postings to the Solterra Connect website.
- c. Board meetings for 2021 are 7 prescheduled meetings.
Status: This item was completed as planned.
- d. Conduct a community outreach program to encourage resident participation and solicit input.
Status: FRMD was a significant contribution of time and effort in "reaching out" and teaching residents on the operations of FRMD, in addition the individual Board committees continuously are reaching out for committee participation.

2. Acceptance Procedures for New Filings

One of the Board's key challenges and responsibilities is acquisition of filings from the developer. Of the 21 filings that make up Solterra, only Filings 1-12 have been accepted. The Reimbursement and Acquisition agreement provides a step-by-step approval process for the Board acceptance of the

filing(s) from the developer. The goal is to provide a consistent basis upon which to evaluate and accept filings, but also for the Board to be satisfied that the request for reimbursement is supportable.

Status: Brookfield is working to provide the necessary information as required by the acceptance procedures resolution.

3. Tributary and Water Feature

The Solterra tributary moves surface water through the community. It is the primary drainage conduit for the storm water flowing from homes west of Indiana street. It consists of 9 water quality detention ponds, a circulating water feature and a large retention pond. **This asset has not been accepted by the District** and the District is working with the developer to require the following improvements prior to final acceptance:

- a. Liner for the water feature;
- b. Repair erosion damage in the main channel; and
- c. Have in place an approved augmentation plan.

Although resolution is at the forefront of the Board's goals, the schedule for resolving these objectives is out-of-the-hands of the District, as action needs to be made by the developer.

Status: Brookfield has hired a water attorney and that attorney is pursuing an augmentation plan. Until the necessary information, including an augmentation plan, is in accordance with the acceptance procedures resolution and submitted for consideration, these features will not be recommended for acceptance to the Board. This process could take multiple years.

4. Snow Removal

FRMD has snow removal responsibilities for the common areas (i.e., the Retreat, Tributary and certain public sidewalks) and the private roadways and alleyways ("PR&A") in maintenance fee areas (MFA) #1, #2, AND #3. For the 2020/2021 snow season, snow removal within the Maintenance Fee Areas private roadways and alleys will begin within 72 hours after snowfall has ended and only when from a single storm drops more than 8-inches of snow. This policy is consistent with what the City of Lakewood has as snow removal guidance for city streets. Accumulations from storms less than 8-inches will not be removed.

Status: The name for the fee areas was changed to better reflect what they cover and additional fee types were added to better describe the added services FRMD provides in Filing 16 for In-lot services. For the 2021/2022 snow season, the snow removal costs will be paid for by the residents of those fee areas that have been accepted by FRMD (Area #1) and by Brookfield in the unaccepted areas (Areas 2 and 3). FRMD has also obtained an agreement from Brookfield to use the same contractor so that all parts of Solterra receive the same quality of service.

5. Committees

A. Financial Committee

Mission: The Finance Committee is established for the purpose of reviewing various financial matters concerning the Districts, including budgets, audits and financing matters and to further make recommendations to the Boards regarding such matters. The focus for 2021:

- a. Finalized 2021 Budget and Plan.
Status: Complete
- b. Spread 2021 final budget by quarters.
Status: Complete
- c. Quarterly, "actual to budget" reporting within 30 days of the end of the quarter.
Status: Complete
- d. Implement financial analytical tools, like "trailing twelve" analysis and budget to actual based on some form of "materiality".
Status: The budget variance reporting was completed, approved by the Board and implemented. The trailing twelve have been tabled at this time.
- e. Oversee 12/31/2020 independent audit.
Status: Complete
- f. Oversee the 2022 budget process.
Status: Complete
- g. Using the 2019 Reserve Study and working with the Retreat & Pool Committee, the District Engineer, and the Community Manager, project out the capital and repair needs for the next 5 years.
Status: In process
- h. 3-year projection of revenue and expenses.
Status: Moved to 2022
- i. Continue to determine which Builder Advances are District eligible cost.
Status: In process
- j. Develop policy to comply with "Post-Issuance Debt Compliance Procedures".
Status: Completed for 2021 and will continue going forward
- k. Evaluate how to move more of the analytical work to CRS.

Status: Moved to 2022

The Finance Committee provides detailed written reports that are include with each Board package.

B. Pool and Retreat Committee

Mission: The Retreat/Pool Committee is established for the purpose of working on strategies to provide facilities for residents of Solterra, providing sustainable solutions that meet the needs of today's residents while planning for future growth, ensuring fair and equitable use of the facilities to all members of the Solterra community, and to ensure that the Retreat and pool are available for the enjoyment of the homeowners, with safety, security, health, and comfort of the community being the primary objective.

The focus for 2021 will be:

- a. Work with CRS for the running of the Retreat & Pool as far as policies, hours, rentals, etc., and for the enjoyment of all residents.
Status: Completed
- b. Work with CRS & Perfect Pools to make sure the facilities are being maintained as needed.
Status: Completed
- c. Retreat interior - replace/repair furniture as needed and within 2021 budget.
Status: Completed
- d. Replace pool/patio furniture as needed and within 2021 budget.
Status: Pushed into 2022 as no replacements were necessary.
- e. Make sure maintenance of the interior and exterior of the Retreat & Pool is being completed as needed, working with CRS.
Status: Completed, as necessary for 2021.

C. Social Committee

Mission: The Social Committee is established for the purpose of assessing the need for appropriate community and social events, necessary funding therefor, and to make recommendations to the Boards regarding community and social events.

Such opportunities help homeowners get to know each other, so that they begin to feel part of the community. The work put in by the social liaisons to generate a more active, involved, and friendly community, creates a greater sense of unity and understanding among the homeowners.

The focus for 2021 will be:

- a. Easter – likely April 3rd, 2021 (Saturday before)

Status: Cancelled due to COVID.

- b. Cinco de Mayo – May 5th

Status: Cancelled due to COVID.

- c. Food Truck Gathering – Date TBD

Status: Completed

- d. 4th of July

Status: Completed

- e. Rocktoberfest – date TBD

Status: Completed

- f. Holiday Party (Santa & Mrs. Claus) – December date TBD

Status: Completed

D. Landscape Committee

Mission: The Landscaping Committee is established for the purpose of reviewing all common areas within the Districts, and to further make recommendations regarding the care and maintenance of the common areas within the Districts.

The focus for 2021 will be:

Spring: Replace evergreens identified in 2020 and spring 2021. Repair beds identified in the previous year (2020) for repair.

Summer: Identify deciduous trees for replacement or remediation in the fall. Identify rock beds to be remediated in the spring of 2022.

Fall: Replace or remediate deciduous trees identified in the summer. Identify evergreen trees for replacement in the spring of 2022.

Status: The Landscape Committee is one the hardest working committees in FRMD. They provide detailed written reports at each Board meeting.