# FOSSIL RIDGE METROPOLITAN DISTRICTS NOS. 1-3

Agenda is preliminary and subject to change by majority vote of the Boards at the meeting. Any individuals with questions regarding this Notice of Regular Meeting and Agenda, or who require special accommodation to attend and/or participate in the meeting, should please contact the President of the Board of Directors of District 1 at frdistrict2@gmail.com

***NOTICE OF A REGULAR MEETING AND SUMMARY OF AGENDA ITEMS***

| Board of Directors – D1: | Board of Directors – D2: | Board of Directors – D3: |
|---|---|---|
| Tom Waterman - President | Dave McGraw - President | Craig Brown - President |
| Craig Brown - V.P. | Terry Larson - V.P. | Aaron Hochstein -V.P. |
| Mike McCleary - Treasurer | Alan Plumhoff - Treasurer | David Wilson - Treasurer |
| Dave McGraw - Secretary | Theodore Michelsen - Secretary | Daniel Dominic - Secretary |
| Terry Larson - Asst. Sec. | Tom Waterman - Asst. Sec. | Mike McCleary - Asst. Sec. |

Consultants:

| | |
|---|---|
| Sue Blair, CRS | District Manager |
| Marcos Pacheco, CRS | District Manager |
| Nancy Weiss, CRS | District Accountant |
| Kelley Duke, Esq. | Legal Counsel |
| Dino Ross, Esq. | Legal Counsel |
| Jennie Heinze | Community Manager |

DATE: Monday, December 7, 2020

TIME: 6:30 PM

**PLACE:** **Virtual Board Meeting**

First time using web-based meetings? Review this link well before the meeting (prep time: 20-mimutes) Video and audio access via computer, tablet, or mobile device, click link: https://zoom.us/j/97038256879 Audio access via telephone: Dail - **+1 669 900 9128** | enter meeting ID – **970 3825 6879** follow prompts. If you access via telephone only, you will be asked to provide your name by the moderator. Standard rates and fees may apply, as charged by your carrier, based on your service.

I. ADMINISTRATIVE MATTERS

A. Call to Order/Roll Call/Declaration of Quorum (Districts 1-3)

B. Present Disclosures of Potential Conflicts of Interest (Districts 1-3)

C. Confirm Posting of Meeting Notices (Districts 1-3)

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II. APPROVAL OR AMENDMENT TO THE AGENDA (Districts 1-3)

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III. PUBLIC COMMENT (Districts 1-3) – Maximum of 3 minutes per person

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IV. CONSENT AGENDA

These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested by a Board member; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

1. Approval of the payment of claims for the period ending December 3, 2020 (enclosure) – Pg. 4
2. Approval of the minutes of the October 19, 2020 Regular Meeting (enclosure) – Pg. 5-10
3. Approval of the minutes of the November 19, 2020 Special Meeting (enclosure) – Pg 11-13

V. LEGAL MATTERS

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VI. FINANCIAL MATTERS

a. 2021 Development Fee – Director McCleary (enclosure) – Pg. 14-15
b. Conduct Public Hearing to Adopt 2021 Budget/Certify Mill Levy/Appropriate 2021 Expenditures – Director McCleary (enclosure) – Pg. 16-37
c. Community Manager Contract (enclosure) – Pg. 38-57
d. Reserve Study Policy – Finance Committee, Gerry Reese (enclosure) – Pg. 58-61
e. Mission/Vision Statement & 2021 Business Plan – Finance Committee, Director Wilson (enclosure) – Pg. 62-67

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VII. OPERATIONS AND MAINTENANCE MATTERS (District 1)

a. Landscape Update – Overlook/Landscape Committee (verbal) – Pg. 68-70
b. Retreat/Pool Monthly Update – CRS (enclosure) – Pg. 71-73

c. Motion to Repair Retreat Furnace Blower Motor – CRS (enclosure) – Pg. 74-75

d. Update on Orchard Park Agreement & Warranty – Director Larson (enclosure) – Pg. 76-88

e. FRMD University – Director Brown & Direceot McGraw (enclosure) – Pg. 89

VIII. ADJOURNMENT

THE NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY JANUARY 11, 2021

| Ranges: | From: | To: | | From: | To: |
|---|---|---|---|---|---|
| Check Number | First | Last | Check Date | 9/25/2020 | 12/3/2020 |
| Vendor ID | First | Last | Checkbook ID | First | Last |
| Vendor Name | First | Last | | | |

Sorted By: Check Date

* Voided Checks

| Check Number | Vendor ID | Vendor Check Name | Check Date | Checkbook ID | Audit Trail Code | Amount |
|---|---|---|---|---|---|---|
| 01173 | APF | A Perfect Finish | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $4,360.50 |
| 01174 | ANIMAL & | Animal & Pest Control Speciali | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $240.00 |
| 01175 | C NICKAL | Calvin Nickal & Amy Spencer | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $195.46 |
| 01176 | CRS | CRS of Colorado | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $18,509.00 |
| 01177 | DINSMORE | Dinsmore and Shohl LLP | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $7,500.00 |
| 01178 | FOOTHILLS | Foothills Paving and Maintenan | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $5,810.50 |
| 01179 | FREE | Freeman Signs Inc | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $3,181.61 |
| 01180 | GREEN MTN | Green Mountain Water and Sanit | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $78,398.56 |
| 01181 | IRELAND | Ireland Stapleton | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $38,157.00 |
| 01182 | OVERLOOK | Overlook Property Management, | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $6,238.39 |
| 01183 | PERFECT | Perfect Pools | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $9,731.81 |
| 01184 | PREP | Prep-Rite Coatings & Contracti | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $475.00 |
| 01185 | SCHULTZ INDUSTR | Schultz Industries Inc. | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $95,119.22 |
| 01186 | D BAR | The Denver Bartenders | 10/7/2020 | FIRSTBANK | PMCHK00000059 | $200.00 |
| 01187 | ACADEMY | Academy Roofing Inc. | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $3,403.00 |
| 01188 | BELTRAN | Beltran Building Maintenance, | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $1,125.00 |
| 01189 | L GLANZER | Lisa Glanzer | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $407.06 |
| 01190 | MERRICK | Merrick | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $6,744.75 |
| 01191 | PLAN | Plan West, Inc. | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $402.00 |
| 01192 | PLAYGROUND | Playground Safety Solutions, L | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $85.00 |
| 01193 | UMB | UMB Bank, N.A. | 10/26/2020 | FIRSTBANK | PMCHK00000060 | $333.33 |
| 01194 | APF | A Perfect Finish | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $10,429.50 |
| 01195 | A AUBREY | Alexander + Brianne Aubrey | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $350.00 |
| 01196 | ANIMAL & | Animal & Pest Control Speciali | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $120.00 |
| 01197 | BOSCH | Bosch Trust Agreement | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $41.46 |
| 01198 | CRS | CRS of Colorado | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $17,872.40 |
| 01199 | DOUBLE | Double A Security | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $245.00 |
| 01200 | L GLANZER | Lisa Glanzer | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $273.22 |
| 01201 | OVERLOOK | Overlook Property Management, | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $13,419.09 |
| 01202 | PERFECT | Perfect Pools | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $545.00 |
| 01203 | SOS | Sameday Office Supply | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $44.99 |
| 01204 | SCHULTZ INDUSTR | Schultz Industries Inc. | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $21,117.00 |
| 01205 | VERIA TECH | Veria Technologies | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $390.00 |
| 01206 | WARE | Ware Malcomb | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $325.71 |
| 01207 | WASTE MANAGEMEN | Waste Management | 11/11/2020 | FIRSTBANK | PMCHK00000061 | $62.63 |
| 01209 | A COLBURN | Annette Colburn | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $550.00 |
| 01210 | A TOPOLNICKI | Austin Topolnicki | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $48.50 |
| 01211 | DEN SPRINKLER | Denver Sprinkler and Landscape | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $3,243.00 |
| 01212 | DUST | Dust Busters Custom Cleaning S | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $300.00 |
| 01213 | EM | Emily Stern | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $1,125.00 |
| 01214 | IRELAND | Ireland Stapleton | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $33,630.00 |
| 01215 | J RAMSTHALER | Janice Ramsthaler | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $41.46 |
| 01216 | MERRICK | Merrick | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $3,576.13 |
| 01217 | M MARKS | Michael + Randi Marks | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $132.92 |
| 01218 | PARADISE | Paradise Heating and Cooling, | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $1,411.94 |
| 01219 | SCHULTZ INDUSTR | Schultz Industries Inc. | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $4,175.13 |
| 01220 | VORTEX | Vortex Industries, Inc. File 1 | 11/25/2020 | FIRSTBANK | PMCHK00000062 | $998.00 |
| 01221 | AU INC | Advantage Upholstery, Inc. | 11/25/2020 | FIRSTBANK | PMCHK00000063 | $423.92 |
| 01222 | AU INC | Advantage Upholstery, Inc. | 11/25/2020 | FIRSTBANK | PMCHK00000064 | $490.00 |
| | | | | | | --- |
| Total Checks: | 49 | | | | Total Amount of Checks: | $395,999.19 |
| | | | | | | ========== |

**Autopay**
**Consolidated Mutual Water $31,344.80 Century Link $331.26 Xcel $807.17**
**$20,616.20 $331.26**

# RECORD OF PROCEEDINGS

**MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE**

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2**
**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3**

Held: Thursday, October 19, 2020, 6:30 p.m.

**Attendance** The combined special meeting of the Boards of Directors of the Fossil Ridge Metropolitan District Nos. 1-3 was called and held at 6:30 p.m., as shown, in accordance with Colorado law. The meeting was conducted as a virtual meeting. Ms. Blair inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. There were none. The following Directors were in attendance:

**District 1:**
Tom Waterman – President
Craig Brown – Vice President
Mike McCleary – Treasurer
Dave McGraw – Secretary
Terry Larson - Asst. Sec.

**District 2:**
Dave McGraw – President
Terry Larson - Vice President
Al Plumhoff – Treasurer
Theodore Michelsen – Secretary
Tom Waterman – Assistant Secretary

**District 3:**
Craig Brown – President
Aaron Hochstein – Vice President
David Wilson – Treasurer
Daniel Dominic – Secretary
Mike McCleary – Assistant Secretary

**Consultants:**
Sue Blair, District Manager, Community Resource Services
Marcos Pacheco, District Manager, Community Resource Services
Mat Birkeness, Retreat Manager, Community Resource Services
Nancy Weiss, District Accountant, Community Resource Services
Jennie Heinze, Community Manager, Overlook Property Management
Kimberly Crawford, Esq., Bond Counsel, Butler Snow

**Others identified in attendance:**
John Wendling, Finance Committee Chairman
Bob Pries

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Chris Neugebauer
Gary Greaser
JD Lobue
Jim Cantrell
John Babcook
Kristin Hochstein
Marsha McCleary
Peggy Waterman

**Call to Order** A quorum of the Boards was present, and the Directors confirmed their qualifications to serve. Ms. Blair confirmed that the meeting has been properly noticed. The meeting was called to order at 6:35 p.m.

**Approve Agenda** The Boards reviewed the meeting agenda. Director McCleary (D 1&3) requested that a discussion item be added during the Financial portion of the agenda to review the allocation of bond proceeds.

- District 1: Director McCleary moved that the Board approve the agenda as amended. Upon a second by Director Waterman, a vote was taken, and the motion carried unanimously.

- District 2: Director McGraw moved that the Board approve the agenda as amended. Upon a second by Director Michelsen, a vote was taken, and the motion carried unanimously.

- District 3: Director McCleary moved that the Board approve the agenda as amended. Upon a second by Director Wilson, a vote was taken, and the motion carried unanimously.

**Reponses to Questions from Prior Meetings** Ms. Blair reported that this document was recently revised in order to provide more clarity to the community.

**Public Comment** Chris Neugebauer asked the Board what costs have been incurred by the District related to the recall effort and if a breakdown of those costs be made available.

**Consent Agenda**

**Consent Agenda Item 1**

1. Approve the minutes of the September 28, 2020 Special meeting

- District 1: Director McCleary moved to approve the consent agenda. Upon a second by Director McGraw, a vote was taken, and the motion carried unanimously by Directors in attendance.

- District 2: Director Michelsen moved to approve the consent agenda. Upon a second by Director Larson, a vote was taken, and the motion carried

unanimously by Directors in attendance.

- District 3: Director Wilson moved to approve the consent agenda. Upon a second by Director Brown, a vote was taken, and the motion carried unanimously.

**Legal Matters** There were none

**Financial Matters** Bond Update: Mr. Wendling updated the Board on the bonds and let them know they are on track with their previously noted schedule. Last Monday, the official preliminary offer was posted and the investors are reviewing it. Wells Fargo is working to field the investor calls. Solterra residents can purchase bonds if they are interested and they will get priority to do so. Director Brown (D 1&3) asked what denomination they could purchase bonds in. Mr. Wendling answered it is roughly $5,000.

Approve the Amended Engagement Letter of Butler-Snow as the District Bond Counsel: Mr. Wendling stated that this should be considered by the Board. Before an underwriting RFP was issued, Butler Snow was brought on board. Butler Snow has requested an increase to their fee due, in large part, to the recall.

- District 3: Director McCleary moved that the Board approve the amended engagement letter with Butler Snow as the District Bond Counsel. Upon a second by Director Hochstein, a vote was taken, and the motion carried unanimously.

Post Issuance Compliance Policy: Director Wilson (D3) spoke to the Board. He asked Mr. Wendling to speak briefly about the post issuance policy. Mr. Wendling noted that this document is not currently in place. Legal counsel has reviewed this policy and has approved it. He outlined the purpose of these documents and the content within. He also discussed the responsibility held by the Treasurer of each District.

- District 3: Director Wilson moved that the Board approve the post compliance policy. Upon a second by Director McCleary, a vote was taken, and the motion carried unanimously.

Motion to Engage the Trustee, Paying Agent, Dissemination Agent and Escrow Agent (UMB Bank, N.A.): Mr. Wendling reported to the Board that UMB is the current trustee and paying agent. He would like to continue with them and their services. They are one of 4 trustees nationally and they do this very well. He explained the purpose of having UMB as a trustee and the protection they provide

to the District and Bond holders.

- District 3: Director McCleary moved that the Board Engage UMB Bank, N.A. as the Trustee, Paying Agent, Dissemination Agent and Escrow Agent in conjunction with the issuance of 2020 bonds. Upon a second by Director Dominic, a vote was taken, and the motion carried unanimously.

Engage the Verification Agent: Mr. Wendling described the role that the verification agent plays in the bond issue. Due to tax law, an independent third-party CPA verifies cash flow in order to confirm escrow to pay off current bonds. The cost is $2,250. This will be paid out of bond proceeds. Director Brown (D 1&3) asked if this was a one-time verification to which Mr. Wendling answered yes. Any annual fees will be budgeted by the District. Director McCleary (D 1&3) thanked Mr. Wendling for his hard work related to the bonds. Director McGraw (D 1&2) added that we are fortunate to have a resident like Mr. Wendling. Director Brown (D 1&3) thanked Director McCleary (D 1&3) and Mr. Wendling as well as community members and service providers for their work with the bonds.

- District 3: Director McCleary moved that the Board engage Causey, Demgen & Moore, P.C. as the verification agent in conjunction with the issuance of 2020 bonds. Upon a second by Director Wilson, a vote was taken, and the motion carried unanimously.

2021 Budget Update: Director McCleary (D 1&3) reported that there was an update that the preliminary budgets and they are available at the offices of CRS. It is a work in progress, but we are moving forward. The final budget will not be approved until the December meeting.

Emergency Repair Expenditure: Director Waterman (D 1&2) reported that the controllers to operate the irrigation have failed. One was under warranty and did not cost anything. The other required replacement at a cost of $2400. It was authorized in August in order to maintain proper watering.

Allocation of Bond Proceeds: Director McCleary (D 1&3) reported that as part of the bond issuance process, an allocation would be required for bond proceeds. He answered questions by the Board and recommended the Board approve the allocations as presented.

- District 1: Director Waterman moved to approve the bond proceed allocations. Upon a second by Director Larson, a vote was taken, and the motion carried unanimously.

- District 2: Director McGraw moved to approve the bond proceed allocations. Upon a second by Director Michelsen, a vote was taken, and the motion carried unanimously.

- District 3: Director Brown moved to approve the bond proceed allocations. Upon a second by Director McCleary, a vote was taken, and the motion carried unanimously.

**Operations and Maintenance Matters**

Landscape Update: Ms. Heinze reported that the Landscape Committee will be meeting next Thursday. She noted that the 2018 warranty trees have been replaced. The 2020 fall plantings have been completed. Fall aeration is also complete. While the irrigation is still in use, it will be winterized soon. Additionally, tree wrapping starts tomorrow. She noted that two bids remain outstanding, one is for mowing native areas for $2,000 dollars for filings 1 and 2. Lastly, Ms. Heinze noted that Schultz does owe the District a credit and she will be working with Schultz in order to ensure the credits are realized by the District. Ms. Heinze presented a landscaping proposal to the Board for consideration.

- District 1: Director Waterman moved that the Board approve $7,602.90, contingent upon the Landscape Committee's approval. Upon second by Director Brown, a vote was taken, and the motion carried unanimously.

Director Dominic (D3) added that the Landscape Committee has done a tremendous amount of work looking at plant beds and recommendations will be made shortly. He thanked the Committee for their work.

Retreat/Pool Monthly Update: Mr. Birkeness provided an update on projects throughout The Retreat. Several projects have been completed and the painting of remains ongoing. The painting is scheduled to be finalized by Wednesday or Thursday. The Retreat Committee will help figure out where decorations are placed after completion of the painting. He also reported that the pergola on the pool deck is damaged and may need work. He continued by noting that the Rocktober Fest event went well two weeks ago. He is currently working with the Social Committee for a Christmas event. Director Dominic (D3) discussed the spotlights near the amphitheater that point up to the pergola. He noted they were broken and may have water damage. Mr. Birkeness will look into this further.

Engineer Update: Director Larson (D 1&2) provided a history to the Board and spoke to why it is recommended that the Board amend the resolution dealing with acceptance and acquisition of public improvements. Along with legal counsel, ideas were discussed as to what would happen if various areas had issues. The

costs were estimated, and they got to a point where they believed it would be 20% of the cost to construct. If we recovered that, we would be well covered. The original agreement asked for a bond but did not provide direction on what was required or how much was needed. As such, paragraph 5 was amended. He then provided the verbiage that will be amended. There will also need to be a process that is followed.

Director Wilson (D3) asked if the District reviewed who issues the bonds in order to maintain the documents. The Board believes that they should stay with CRS. This would be the first agreement accepted since the Board became resident controlled.

- District 1: Director Larson moved that the Board amend the policy as described. Upon a second by Director McGraw, a vote was taken, and the motion carried unanimously.

**Executive Session** Enter into Executive Session Pursuant to CRS 24-6-402 (4)(c) to Discuss Negotiation of Current Consultant Agreements at 7:54 p.m.

- District 1: Director Brown moved to enter into executive session. Upon a second by Director Waterman, a vote was taken, and the motion carried unanimously.

- District 2: Director Michelsen moved to enter into executive session. Upon a second by Director Larson, a vote was taken, and the motion carried unanimously.

- District 3: Director Dominic moved to enter into executive session. Upon a second by Director Wilson, a vote was taken, and the motion carried unanimously.

The public meeting was reconvened at 9:22 p.m.

**Adjournment** There being no further business to come before the Boards, the meeting was adjourned at 9:23 p.m. by unanimous vote.

Respectfully submitted,

_____
Secretary of the Meeting

DRAFT

# RECORD OF PROCEEDINGS

**MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE**

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2**
**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3**

Held: Thursday, November 19, 2020, 7:30 p.m.

**Attendance** The combined special meeting of the Boards of Directors of the Fossil Ridge Metropolitan District Nos. 1-3 was called and held at 7:38 p.m., as shown, in accordance with Colorado law. The meeting was conducted as a virtual meeting. Ms. Blair inquired whether any of the Board members had any potential conflicts of interest on matters coming before the board. There were none. The following Directors were in attendance:

**District 1:**
Tom Waterman – President
Craig Brown – Vice President
Mike McCleary – Treasurer
Dave McGraw – Secretary
Terry Larson - Asst. Sec.

**District 2:**
Dave McGraw – President
Terry Larson - Vice President
Theodore Michelsen – Secretary
Tom Waterman – Assistant Secretary

Absent was Director Plumhoff whose absence was excused.

**District 3:**
Craig Brown – President
Aaron Hochstein – Vice President
David Wilson – Treasurer
Daniel Dominic – Secretary
Mike McCleary – Assistant Secretary

Absent was Director Dominic whose absence was excused.

**Consultants:**
Angie Kelly, District Manager, Community Resource Services
Marcos Pacheco, District Manager, Community Resource Services
Dino Ross, Esq., Ireland Stapleton
Jennie Heinze, Community Manager, Overlook Property Management

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**Others identified in attendance:**
Jim Cantrell
Pete Hendel
Claudia Manding
JD Lobue
Marsha McCleary
Elaine Jones
Gerry Reese
Peggy Waterman

**Call to Order** A quorum of the Boards was present, and the Directors confirmed their qualifications to serve. Ms. Kelly confirmed that the meeting has been properly noticed. The meeting was called to order at 7:38 p.m.

**Approve Agenda** The Boards reviewed the meeting agenda. Director Waterman (D 1&2) would like to add public comment to the agenda.

- District 1: Director Waterman moved that the Board approve the agenda as amended. Upon a second by Director Brown, a vote was taken, and the motion carried unanimously.

- District 2: Director McGraw moved that the Board approve the agenda as amended. Upon a second by Director Michelsen, a vote was taken, and the motion carried unanimously.

- District 3: Director McCleary moved that the Board approve the agenda as amended. Upon a second by Director Brown a vote was taken, and the motion carried unanimously.

**Public Comment** There were none.

**Executive Session** Enter into Executive Session Pursuant to C.R.S. 24-6-402(4)(B) to consult with and receive advice from legal counsel regarding the imposition of snow removal fees at 7:48 p.m. Dino Ross offered verbal certification of the executive sessions, for the record.

- District 1: Director McGraw moved that the board go into Executive Session. Upon a second by Director Brown a vote was taken, and the motion carried unanimously.

- District 2: Director Larson moved that the board go into Executive Session. Upon a second by Director McGraw a vote was taken, and the motion carried unanimously.

- District 3: Director McCleary moved that the board go into Executive Session. Upon a second by Director Hochstein, a vote was taken, and the motion carried unanimously.

The Boards moved to reconvene the public meeting at 8:42 p.m.

- District 1: Director McGraw moved to reconvene the public meeting. Upon a second by Director Brown a vote was taken, and the motion carried unanimously.

- District 2: Director Michelsen moved reconvene the public meeting. Upon a second by Director Larson a vote was taken, and the motion carried unanimously.

- District 3: Director Hochstein moved reconvene the public meeting. Upon a second by Director Wilson, a vote was taken, and the motion carried unanimously.

**Adjournment** There being no further business to come before the Boards, the meeting was adjourned at 8:43 p.m. by unanimous vote.

Respectfully submitted,

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Secretary of the Meeting

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**FOSSIL RIDGE METROPOLITAN DISTRICTS NOS. 1-3**
**SCHEDULE OF FEES EFFECTIVE AS**
**OF January 1, 2021 approved by the**
**Board of Directors of Districts Nos. 1-3**
**at their respective public meetings held**
**on**
**December 7, 2020.**

Adopted as allowed by the following
Resolution:
Fourth Amended and Restated Joint Resolution of the Board of Directors of the Fossil Ridge Metropolitan Districts Nos. 1 – 3 Concerning the Imposition of District Fees (December 4, 2018)

| FEE TYPE | CLASSIFICATIONS | RATE |
|---|---|---|
| | | |
| Development Fee | Detached Single Family | $7,525 |
| | Town Home, Condominium or other attached "for sale" residential unit | $5,625 |
| | Rental unit within an apartment building | $2,775 |
| Storm Drainage Development Fee | Detached Single Family | $1,000 |
| | Town Home, Condominium or other attached "for sale" residential unit | $750 |
| | Rental unit within an apartment building | $500 |
| Administrative Set-Up Fee | All Classifications | $261 (Effective January 4, 2019) |
| Operations Fee | All Classifications | $1400 per year (to be billed quarterly, beginning in January 2020) |
| | | |
| Maintenance Fee No. 1[1] | All Classifications | $100/quarter per Unit |
| Maintenance Fee No. 2[2] | All Classifications | $0/quarter per Unit |
| Maintenance Fee No. 3 – F15[3] | All Classifications | $75/quarter per Unit |
| Maintenance Fee No. 3 – F16N[4] | All Classifications | $110/quarter per Unit |
| Maintenance Fee No. 3 – F16S[5] | All Classifications | $150/quarter per Unit |

1 - **Maintenance Fee 1** – Applies to the following 13 lots in Solterra:
Lots 1-6, Block 1, Filing No. 1; and
Lots 51-57, Block 1, Filing No. 2

Fees based on: Gate maintenance, and reserve for future gate repair and replacement.

2 - **Maintenance Fee 2** – Applies to the following 107 lots in Solterra:
Lots 7-10, Block 1, Filling No.14 Lots 22-41, Block 4, Filing 14

Lots 10-11, Block 3, Filling 14
Lots 24-44, Block 3, Filing No. 14
Lots 1-23, Block 1, Filing No. 16
Lots 1-16,25-45, Block 4, Filing No. 16

Fees based on: No specific services in addition to those provided to all Solterra residents.

**3 - Maintenance Fee No. 3-15** – Applies to the following 43 lots in Solterra:
Lots 1-43, Block 1, Filing No. 15;

Fee based on: Snow removal within homeowner plot from the sidewalk to the front of the first step at townhome entrance at a 2-inch/4-inch (2/4 standard), landscape maintenance.

Note: Snow removal will not be provided on stairs or porches. No snow removal will be performed on garage aprons.

**4 - Maintenance Fee No. 3-16N** – Applies to the following 29 lots in Solterra:
Lots 1-29, Block 6, Filing No. 16

Fee based on : Snow removal within homeowner plot from the sidewalk to the front of the first step at townhome entrance at a 2-inch/4-inch (2/4 standard) and snow removal from the garage apron when snowfall exceeds removal standard, landscape maintenance, planter box maintenance, and reserve for repair / replacement of sidewalk and driveway (garage apron) within the homeowner plot.

Note: Snow removal will not be provided on stairs or porches.

5 - **Maintenance Fee No. 3-16S** – Applies to the following 42 lots in Solterra:
Lots 1-42, Block 3, Filing No. 16

Fee based on: Snow removal within homeowner plot from the sidewalk to the front of the first step at townhome entrance at a 2-inch/4-inch (2/4 standard) and snow removal from the garage apron when snowfall exceeds removal standard, landscape maintenance, planter box maintenance, and reserve for repair / replacement of sidewalk and driveway (garage apron) within the homeowner plot.

Note: Snow removal will not be provided on stairs or porches.

General Note: FRMD has set a standard for snow removal for all FRMD-owned, private drives and alleys. The standard has been set at snowfall greater than 8-inches, per storm, not total accumulation.
General Note: For residents in MFA 1, 2, 3-15, 3- 16N, and 3-16S are reminded snow from in-plot areas may not be placed on FRMD-owned private drives and alleys.

**PAYMENTS**: Payment for each fee shall be made payable to the Fossil Ridge Metropolitan District No. 1.

For payments sent PRIOR to MARCH 1, 2021, please send to:

Jennie Heinze
Overlook Property Management
6860 S. Yosemite Court, Suite 2000
Phone: (303) 991-2192
Fax: (303) 991-2199

For payments sent AFTER MARCH 1, 2021, please send to:

Community Resource Services
7995 E. Prentice Avenue, Suite 103E
Greenwood Village, CO 80111
Phone: (303) 381-4960
Fax: (303) 381-4961

Residents should note that pursuant to the District Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Sanitary Sewer Services and Facilities, fees for sanitary sewer services are additionally imposed by and through the Districts.

# FOSSIL RIDGE

# METROPOLITAN DISTRICT NO. 1

# 2021

# PROPOSED

# BUDGET

(Subject to Discussion and Revision)

DRAFT

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Homeowner assessments | $ 1,227,667 | $ 1,628,200 | $ 1,219,203 | $ 1,625,903 | $ 1,652,000 |
| Sewer service fees - homeowner | 215,403 | 267,010 | 157,234 | 204,880 | 215,000 |
| Sewer operations fee - homeowner | 93,524 | 94,022 | 74,396 | 99,593 | 110,000 |
| Sewer administration fee | 27,910 | 28,500 | 21,174 | 28,242 | - |
| Maintenance fee No. 1 | 21,102 | 10,816 | 4,908 | 6,208 | - |
| Maintenance fee No. 2 | 25,380 | 6,480 | - | - | - |
| Maintenance fee No. 3 | 33,320 | - | - | - | - |
| Maintenance fee No. 3 - 15 Fee (43) | - | 20,640 | 7,095 | 10,320 | - |
| Maintenance fee No. 3 - 16N Fee (29) | - | 19,720 | 6,090 | 9,280 | - |
| Maintenance fee No. 3 - 16S Fee (42) | - | 38,472 | 9,324 | 15,624 | - |
| Amenity user fees | 48,064 | 75,000 | 3,058 | 6,116 | 45,000 |
| Transfer from District No. 2 | 227,000 | 140,223 | | 140,223 | 140,500 |
| Transfer from District No. 3 | 400,000 | 227,917 | | 227,917 | 240,000 |
| Late and legal fee income | 13,664 | - | 11,379 | 15,172 | 5,000 |
| Property taxes (for 2019 audit only) | 12,806 | - | - | - | - |
| Miscellaneous income and interest | 908 | 5,000 | 3,630 | 14,840 | 13,000 |
| **Total revenues** | **2,346,748** | **2,562,000** | **1,517,491** | **2,404,319** | **2,420,500** |
| **EXPENDITURES** | | | | | |
| General | | | | | |
| Accounting (CRS) | 21,024 | 20,000 | 68,637 | 85,000 | 85,000 |
| Audit preparation (CRS) | - | 12,000 | 12,337 | 12,337 | 12,000 |
| District management (CRS) | 72,488 | 48,000 | 48,848 | 65,131 | 60,000 |
| Audit | 9,052 | 15,000 | 6,000 | 6,000 | 6,200 |
| Election | - | - | 25,452 | 30,316 | - |
| Legal - general | 158,728 | 25,000 | 56,451 | 74,800 | 75,000 |
| Legal - litigation | 20,830 | 175,000 | 27,810 | 43,328 | 50,000 |
| Reserve study update | 17,000 | - | - | - | - |
| Insurance (No. 1, 2, & 3) | 35,880 | 55,000 | 38,534 | 39,479 | 42,800 |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| District office administration or General admin | - | 84,000 | 9,937 | 19,874 | 10,000 |
| Property management expenses | 74,104 | 52,123 | 41,431 | 67,690 | 69,600 |
| Website | 2,625 | 25,000 | 1,792 | 2,340 | 28,000 |
| Refunds to homeowners | - | - | 5,734 | 7,645 | 6,500 |
| Property tax refund | 12,806 | - | - | - | - |
| Miscellaneous | 2,493 | - | - | - | 2,500 |
| Total general expenses | 427,030 | 511,123 | 342,963 | 453,940 | 447,600 |
| Grounds expenses | | | | | |
| Snow removal | 84,464 | 70,000 | 39,244 | 58,866 | 60,000 |
| Snow removal - Filing 16 | 42,677 | - | - | - | - |
| Snow removal - Brookfield | 3,476 | - | 4,250 | 6,375 | 9,000 |
| Pest control | 1,598 | - | - | 2,687 | 3,000 |
| Landscape | 142,849 | 260,000 | 224 | 448 | - |
| Landscape contract | 96,405 | - | 190,053 | 253,404 | 260,000 |
| Irrigation repairs | 57,531 | 66,000 | 37,985 | 48,985 | 43,000 |
| Trees/Shrubs/Turf Maint | | | | | 150,000 |
| Tree and shrub replacement | 74,968 | 90,000 | 105,655 | 107,739 | - |
| Sod replace and native seed | 20,351 | 100,000 | 49,585 | 49,585 | - |
| Flowers | 5,000 | 7,000 | 5,000 | 5,000 | 6,000 |
| Backflow testing | 2,141 | 2,600 | 1,055 | 1,055 | 2,000 |
| General contractor maintenance | 8,364 | 4,000 | - | 4,000 | - |
| Lighting and electrical repairs | 732 | 12,000 | 180 | 360 | 1,000 |
| Tree and shrub spraying / pest control | - | 10,000 | 2,087 | 4,174 | - |
| Tributary pump and H2O maintenance | - | 40,000 | - | - | - |
| Playground maintenance | 382 | 8,000 | 4,175 | 4,260 | 13,000 |
| Signs | 730 | 40,000 | 3,684 | 5,526 | 20,000 |
| Fence repairs | - | 5,000 | - | - | 2,500 |
| Mailbox repairs and replacement | - | 1,000 | 475 | 475 | 8,000 |
| Total ground expenses | 541,668 | 715,600 | 443,652 | 552,939 | 577,500 |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| Maintenance fee Expenses | | | | | |
| Maintenance fee No. 1 - (13) | 17,102 | 10,678 | 4,636 | 6,014 | - |
| Maintenance fee No. 2 - (108) | 5,073 | 6,480 | 9,945 | 14,918 | - |
| Maintenance fee No. 3 - (114) | 37,320 | - | - | - | - |
| Maintenance fee No. 3 - 15 Fee (43) | 300 | 20,693 | 11,241 | 16,862 | - |
| Maintenance fee No. 3 - 16N Fee (29) | - | 19,687 | 10,161 | 15,242 | - |
| Maintenance fee No. 3 - 16S Fee (42) | - | 38,463 | 25,641 | 38,462 | - |
| Maintenance fee - refunds | - | - | 125 | 188 | - |
| Maintenance Fee Expenses Total | 59,795 | 96,001 | 61,749 | 91,684 | - |
| Retreat expenses | | | | | |
| COVID-19 Expenses | | | | 715 | 10,000 |
| Trash removal | 2,470 | 5,000 | 1,515 | 2,175 | 2,700 |
| Telephone | 3,372 | 4,000 | 2,903 | 3,893 | 4,000 |
| Security patrol and monitoring | 5,348 | 17,000 | 2,086 | 2,711 | 965 |
| Gate system | - | - | - | - | - |
| Retreat and pool management | 159,000 | 206,500 | 52,932 | 70,332 | 69,600 |
| Retreat maintenance | 21,707 | 65,000 | 5,385 | 13,255 | 2,500 |
| Retreat supplies | 821 | 3,000 | 773 | 873 | 3,500 |
| Retreat hostesses | - | - | - | - | - |
| Retreat - staff - office | - | - | 12,415 | 15,915 | 30,000 |
| Retreat - staff - events | 682 | - | 513 | 713 | 28,000 |
| Retreat fitness instructor | - | - | 1,165 | 2,665 | 12,000 |
| Retreat furniture | | | | - | 6,837 |
| Processing fees | - | | 517 | - | - |
| Pool contract | - | - | 87,020 | 87,020 | 78,080 |
| Pool maintenance | 24,973 | 34,000 | 10,630 | 17,550 | 3,500 |
| Pool chemicals and supplies | 6,871 | 8,000 | 8,442 | 8,987 | 9,000 |
| Pool furniture | - | 13,000 | 8,636 | 10,136 | 1,000 |
| Park and bathroom maintenance | - | 3,000 | - | - | - |
| Retreat concrete and fountain repair | - | 4,000 | - | - | - |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| Access cards | - | 10,000 | - | - | - |
| Janitorial | 13,533 | 15,000 | 9,415 | 11,495 | 10,000 |
| Janitorial - event cleaning | - | - | - | - | 10,000 |
| Seasonal decorations | 3,332 | 6,000 | 134 | 6,000 | 5,000 |
| Amenity user expense | - | 20,000 | 150 | 300 | - |
| Neighborhood events | 6,937 | 10,000 | 2,185 | 3,185 | 10,000 |
| Total retreat expenses | 249,046 | 423,500 | 206,816 | 257,920 | 296,682 |
| Sewer operations | | | | | |
| Sewer service fees - homeowner | 270,431 | 267,000 | 153,718 | 205,028 | 215,000 |
| Sewer operation fees - homeowner | 117,077 | 94,022 | 76,319 | 101,794 | 110,000 |
| Sewer administration fee | 13,890 | 28,500 | 24,639 | 31,707 | - |
| Sewer maintenance and cleaning | - | 92,000 | 95,272 | 95,272 | - |
| Total sewer operations | 401,398 | 481,522 | 349,948 | 433,801 | 325,000 |
| Utilities | | | | | |
| Water | 136,475 | 180,000 | 124,576 | 179,537 | 200,000 |
| Sewer fees-recreation center | 5,986 | 6,800 | 6,228 | 7,841 | 6,800 |
| Gas and electric | 21,552 | 34,000 | 11,869 | 17,869 | 25,000 |
| Total utilities | 164,013 | 220,800 | 142,673 | 205,247 | 231,800 |
| **Total expenditures** | **1,842,950** | **2,448,546** | **1,547,801** | **1,995,532** | **1,878,582** |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | **503,798** | **113,454** | **(30,310)** | **408,787** | **541,918** |
| **OTHER FINANCING USES** | | | | | |
| Transfer to Capital Projects Fund (RS) | (225,000) | (374,400) | (257,200) | (374,400) | - |
| Transfer to Reserve Study Fund | - | - | - | - | (374,400) |
| Transfer to Special Revenue Fund (one time) | - | (140,000) | - | - | (140,000) |
| Emergency reserve (3%) | - | (76,860) | - | - | (40,925) |
| **Total other financing uses** | (225,000) | (591,260) | (257,200) | (374,400) | (555,325) |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **NET CHANGE IN FUND BALANCE** | 278,798 | (477,806) | (287,510) | 34,387 | (13,407) |
| **BEGINNING FUND BALANCE** | 204,593 | 752,840 | 483,391 | 483,391 | 517,778 |
| **ENDING FUND BALANCE** | **$ 483,391** | **$ 275,034** | **$ 195,881** | **$ 517,778** | **$ 504,371** |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**SPECIAL REVENUE FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2021 Proposed |
|---|---|
| **REVENUES** | |
| Maintenance fee No. 1 | $ 5,200 |
| Maintenance fee No. 2 | - |
| Maintenance fee No. 3 - 15 Fee (43) | 12,900 |
| Maintenance fee No. 3 - 16N Fee (29) | 12,760 |
| Maintenance fee No. 3 - 16S Fee (42) | 25,200 |
| Transfer from General Fund (one time) | 140,000 |
| **Total revenues** | 196,060 |
| | |
| **EXPENDITURES** | |
| Maintenance fee No. 1 - (13) | 5,200 |
| Maintenance fee No. 2 - (108) | - |
| Maintenance fee No. 3 - 15 Fee (43) | 12,900 |
| Maintenance fee No. 3 - 16N Fee (29) | 12,760 |
| Maintenance fee No. 3 - 16S Fee (42) | 25,200 |
| **Total expenditures** | 56,060 |
| | |
| **NET CHANGE IN FUND BALANCE** | 140,000 |
| | |
| **BEGINNING FUND BALANCE** | - |
| *Assigned - Maintenance fee No. 1* | - |
| *Assigned - Maintenance fee No. 2* | - |
| *Assigned - Maintenance fee No. 3 - 15 Fee (43)* | - |
| *Assigned - Maintenance fee No. 3 - 16N Fee (29)* | - |
| *Assigned - Maintenance fee No. 3 - 16S Fee (42)* | - |
| | |
| **ENDING FUND BALANCE** | **$ 140,000** |
| *Assigned - Maintenance fee No. 1* | - |
| *Assigned - Maintenance fee No. 2* | - |
| *Assigned - Maintenance fee No. 3 - 15 Fee (43)* | - |
| *Assigned - Maintenance fee No. 3 - 16N Fee (29)* | - |
| *Assigned - Maintenance fee No. 3 - 16S Fee (42)* | - |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**DEBT SERVICE FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9/30/20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Transfer from District No. 2 | $ 246,830 | $ 259,958 | $ 425,188 | $ 825,188 | $ - |
| Transfer from District No. 3 | 402,722 | 424,142 | - | 424,142 | - |
| Misc Income & Interest | 28,573 | - | 5,060 | 130,060 | - |
| **Total revenues** | 678,125 | 684,100 | 430,248 | 1,379,390 | - |
| **EXPENDITURES** | | | | | |
| Bond principal - 2010 bonds | 90,000 | 100,000 | - | 100,000 | - |
| Bond interest - 2010 bonds | 583,625 | 577,100 | 288,550 | 288,550 | - |
| Repayment of developer advance | - | - | - | 9,811,962 | - |
| Legal fees related to bond issuance | - | - | 29,696 | 59,048 | - |
| Transfer to District No. 3 | - | - | - | 2,647,683 | - |
| Trustee and paying agent fees | 4,500 | 5,000 | 2,500 | 5,000 | - |
| Miscellaneous | - | 2,000 | - | 2,000 | - |
| **Total expenditures** | 678,125 | 684,100 | 320,746 | 12,914,243 | - |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | - | - | 109,502 | (11,534,853) | - |
| **OTHER FINANCING SOURCES AND USES** | | | | | |
| Defeasance of 2010 bonds | - | - | - | (7,960,000) | - |
| Transfer from District 3 - bond proceeds | - | - | - | 17,771,962 | - |
| **Total other financing sources and uses** | - | - | - | 9,811,962 | - |
| **NET CHANGE IN FUND BALANCE** | - | - | 109,502 | (1,722,891) | - |
| **BEGINNING FUND BALANCE** | 1,722,891 | 1,752,759 | 1,722,891 | 1,722,891 | - |
| **ENDING FUND BALANCE** | **$ 1,722,891** | **$ 1,752,759** | **$ 1,832,393** | **$ -** | **$ -** |

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**CAPITAL PROJECTS FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Developer advances | $ 88,189 | $ - | $ 35,173 | $ 35,173 | $ - |
| Development fees ( x SFHs @ SFH fee) | 40,800 | 13,600 | 84,400 | 84,400 | 112,875 |
| Development fees ( x THs @ TH fee) | 20,400 | 102,000 | - | - | 112,500 |
| Storm drainage fees ( x SFHs @ SFH fee) | 6,000 | 2,000 | 12,000 | 12,000 | 15,000 |
| Storm drainage fees ( x THs @ TH fee) | 3,000 | 15,000 | - | - | 15,000 |
| Sewer fees ( x homes @ fee)(SFH) | 1,566 | 5,742 | 3,132 | 3,132 | 9,135 |
| Sewer fees ( x homes @ fee)(TH) | 1,044 | - | - | - | - |
| Interest | 4,730 | 500 | 827 | 827 | 500 |
| Conservation trust funds | 3,141 | 3,200 | - | 3,200 | 3,200 |
| Miscellaneous | 88,085 | 1,200 | - | - | 1,200 |
| Transfer from General Fund | 225,000 | - | 257,200 | 374,400 | - |
| **Total revenues** | **481,955** | **143,242** | **392,732** | **513,132** | **269,410** |
| **EXPENDITURES** | | | | | |
| Reserve expenses - flooring | 24,954 | - | - | - | - |
| Reserve expenses - pool deck project | - | - | 23,950 | 47,900 | - |
| Reserve expenses - roof repair | - | - | 1,977 | 3,954 | - |
| Reserve expenses | - | - | 10,170 | 27,246 | |
| District engineer | - | 100,000 | 34,709 | 69,418 | 100,000 |
| Miscellaneous | - | - | - | - | - |
| Capital expenditures | 41,200 | 100,000 | 899 | 899 | 100,000 |
| Transfer to Reserve Study Fund | - | - | - | - | 613,532 |
| **Total expenditures** | **66,154** | **200,000** | **71,705** | **149,417** | **813,532** |
| **NET CHANGE IN FUND BALANCE** | 415,801 | (56,758) | 321,027 | 363,716 | (544,122) |
| **BEGINNING FUND BALANCE** | 242,061 | 103,791 | 657,862 | 657,862 | 1,021,578 |
| *Assigned - Capital Projects* | | | *339,631* | *339,631* | *408,046* |
| *Assigned - Reserve Fund* | | | *318,231* | *318,231* | *613,532* |
| **ENDING FUND BALANCE** | | | | | |
| *Assigned - Capital Projects* | *339,631* | **** | *439,555* | *408,046* | *477,456* |
| *Assigned - Reserve Fund* | *318,231* | **** | *539,334* | *613,532* | - |
| | **$ 657,862** | **$ 47,033** | **$ 978,889** | **$ 1,021,578** | **$ 477,456** |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**RESERVE STUDY FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2021 Proposed |
|---|---|
| **REVENUES** | |
| Transfer from General Fund | $ 374,400 |
| Transfer from Capital Projects Fund (One time) | 613,532 |
| **Total revenues** | **987,932** |
| | |
| **EXPENDITURES** | |
| Reserve expenses - Retreat | 99,711 |
| Reserve expenses - Pool | 18,000 |
| Reserve expenses - roof repair | - |
| Reserve expenses | - |
| **Total expenditures** | **117,711** |
| | |
| **NET CHANGE IN FUND BALANCE** | 870,221 |
| | |
| **BEGINNING FUND BALANCE** | - |
| | |
| **ENDING FUND BALANCE** | **$ 870,221** |

# FOSSIL RIDGE

# METROPOLITAN DISTRICT NO. 2

# 2021

# PROPOSED

# BUDGET

(Subject to Discussion and Revision)

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Property taxes | $ 118,723 | $ 130,212 | $ 129,909 | $ 130,212 | $ 144,756 |
| Specific ownership taxes | 10,144 | 10,417 | 7,112 | 10,375 | 8,685 |
| Conservation trust funds | 373 | - | 1,226 | 1,570 | 1,570 |
| Interest | 13,132 | 30 | 591 | 1,178 | 100 |
| **Total revenues** | **142,372** | **140,659** | **138,838** | **143,335** | **155,111** |
| **EXPENDITURES** | | | | | |
| Audit | 9,052 | 10,000 | 4,500 | 4,500 | 4,600 |
| Insurance | 2,625 | - | 1,880 | 1,880 | 1,800 |
| Dues and memberships | 273 | - | 400 | 400 | 400 |
| Transfer to District No. 1 | 227,000 | 140,223 | - | 140,223 | 140,500 |
| Treasurer's fees | 1,782 | 1,953 | 1,948 | 1,953 | 2,171 |
| Emergency reserve (3%) | - | 4,220 | - | - | 4,653 |
| **Total expenditures** | **240,732** | **156,396** | **8,728** | **148,956** | **154,124** |
| **NET CHANGE IN FUND BALANCE** | (98,360) | **$ (15,737)** | 130,110 | (5,621) | 987 |
| **BEGINNING FUND BALANCE** | 135,726 | | 37,366 | 37,366 | 31,745 |
| **ENDING FUND BALANCE** | **$ 37,366** | | **$ 167,476** | **$ 31,745** | **$ 32,732** |
| **ASSESSED VALUATION** | 21,813,016 | 23,857,072 | | | 24,125,979 |
| **MILL LEVY** | 5.458 | 5.458 | | | 6.000 |

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**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2**
**DEBT SERVICE FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9.30.20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **NUES** | | | | | |
| Property taxes | $ 700,638 | $ 911,579 | $ 909,454 | $ 911,579 | $ 796,157 |
| Specific ownership taxes | 59,866 | 72,926 | 49,789 | 66,385 | 47,769 |
| Interest | 3,297 | 400 | 4,134 | 4,134 | 500 |
| **Total revenues** | **763,801** | **984,905** | **963,377** | **982,098** | **844,426** |
| **NDITURES** | | | | | |
| Treasurer's fees | 10,514 | 13,674 | 13,635 | 13,674 | 11,942 |
| Transfer to District No. 1 | 246,830 | 259,958 | 425,188 | 825,188 | - |
| Transfer to District No. 3 | 670,000 | 670,362 | - | 244,196 | 800,000 |
| Paying agent fees | 2,000 | 4,000 | - | - | - |
| **Total expenditures** | **929,344** | **947,994** | **438,823** | **1,083,058** | **811,942** |
| **CHANGE IN FUND BALANCE** | (165,543) | **$ 36,911** | 524,554 | (100,960) | 32,484 |
| **NNING FUND BALANCE** | 274,657 | | 109,114 | 109,114 | 8,154 |
| **NG FUND BALANCE** | **$ 109,114** | | **$ 633,668** | **$ 8,154** | **$ 40,638** |
| **SSED VALUATION** | 21,813,016 | 23,857,072 | | | 24,125,979 |
| **LEVY** | 32.210 | 38.210 | | | 33.000 |

# FOSSIL RIDGE

# METROPOLITAN DISTRICT NO. 3

# 2021

# PROPOSED

# BUDGET

(Subject to Discussion and Revision)

DRAFT

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3**
**GENERAL FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9/30/20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Property taxes | $ 196,998 | $ 211,801 | $ 211,082 | $ 211,801 | **$ 246,776** |
| Specific ownership taxes | 16,825 | 18,215 | 11,568 | 18,215 | **14,807** |
| Conservation trust funds | 438 | - | 1,448 | 1,931 | **1,931** |
| Interest | 17,279 | 50 | 802 | 802 | **100** |
| **Total revenues** | **231,540** | **230,066** | **224,900** | **232,749** | **263,614** |
| **EXPENDITURES** | | | | | |
| Audit | 9,052 | 10,000 | 4,500 | 4,500 | **4,600** |
| Election | - | - | 807 | 807 | **-** |
| Insurance and dues | 4,706 | 4,000 | 489 | 4,800 | **5,000** |
| Treasurer's fees | 2,668 | 3,177 | 3,168 | 3,177 | **3,702** |
| Transfer to District No. 1 | 400,000 | 227,917 | - | 227,917 | **240,000** |
| Emergency reserve (3%) | - | 6,902 | - | - | **7,908** |
| **Total expenditures** | **416,426** | **251,996** | **8,964** | **241,201** | **261,210** |
| **NET CHANGE IN FUND BALANCE** | (184,886) | **$ (21,930)** | 215,936 | (8,452) | **2,404** |
| **BEGINNING FUND BALANCE** | 217,955 | | 33,069 | 33,069 | **24,617** |
| **ENDING FUND BALANCE** | **$ 33,069** | | **$ 249,005** | **$ 24,617** | **$ 27,021** |
| **ASSESSED VALUATION** | $ 36,179,503 | $ 38,805,537 | | | $ 41,129,306 |
| **MILL LEVY** | 5.4580 | 5.4580 | | | 6.0000 |

DRAFT

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3**
**DEBT SERVICE FUND**
**2021 PROPOSED BUDGET**
**WITH 2019 ACTUAL AND 2020 ESTIMATED AMOUNTS**
**FOR THE YEARS ENDED AND ENDING DECEMBER 31,**
**MODIFIED ACCRUAL BASIS**

| | 2019 Actual | 2020 Budget | 2020 YTD 9/30/20 | 2020 Estimated | 2021 Proposed |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Property taxes | $ 1,162,570 | $ 1,482,759 | $ 1,477,724 | $ 1,482,759 | **$ 1,357,266** |
| Specific ownership taxes | 99,289 | 127,517 | 80,989 | 127,517 | **81,436** |
| Transfer from District No. 2 | 670,000 | 670,362 | - | 244,196 | **800,000** |
| Transfer from District No. 1 | - | - | - | 2,647,683 | **-** |
| Interest | 7,486 | 200 | 4,887 | 4,887 | **500** |
| **Total revenues** | **1,939,345** | **2,280,838** | **1,563,600** | 4,507,042 | **2,239,202** |
| **EXPENDITURES** | | | | | |
| Transfer to District No. 1 | 402,722 | 424,142 | - | 424,142 | **-** |
| Treasurer's fees | 15,747 | 22,241 | 22,177 | 22,241 | **20,359** |
| Paying agent fees | 5,000 | 2,500 | - | 5,000 | **5,000** |
| Bond principal - series 2016 bonds | 170,000 | 175,000 | - | - | **-** |
| Bond interest - series 2016 bonds | 601,800 | 595,000 | 297,500 | 297,500 | **-** |
| Bond principal - series 2014 bonds | 170,000 | 175,000 | - | - | **-** |
| Bond interest - series 2014 bonds | 383,994 | 377,194 | 188,597 | 188,597 | **-** |
| Bond principal - series 2020 bonds | - | - | - | - | **490,000** |
| Bond interest - series 2020 bonds | - | - | - | | **1,229,743** |
| Bond issuance costs | - | - | - | 950,369 | **-** |
| **Total expenditures** | **1,749,263** | **1,771,077** | **508,274** | 1,887,849 | **1,745,102** |
| **EXCESS OF REVENUES OVER EXPENDITURES** | 190,082 | 509,761 | 1,055,326 | 2,619,193 | **494,100** |
| **OTHER FINANCING SOURCES AND USES** | | | | | |
| Proceeds from refunding bonds issued | - | - | - | 33,105,000 | **-** |
| Net bond premium on refunded bonds | - | - | - | 2,191,506 | **-** |
| Transfer to District No. 1 - bond proceeds | - | - | - | (17,771,962) | **-** |
| Transfer to escrow agent | - | - | - | (20,729,647) | **-** |
| **Total other financing sources and uses** | - | - | - | (3,205,103) | **-** |
| **NET CHANGE IN FUND BALANCE** | 190,082 | **$ 509,761** | 1,055,326 | (585,910) | **494,100** |
| **BEGINNING FUND BALANCE** | 399,340 | | 589,422 | 589,422 | **3,512** |
| **ENDING FUND BALANCE** | **$ 589,422** | | **$ 1,644,748** | $ 3,512 | **$ 497,612** |
| **ASSESSED VALUATION** | $ 36,179,503 | $ 38,805,537 | | | 41,129,306 |
| **MILL LEVY** | 32.210 | 38.210 | | | 33.000 |

# Proposed 2021 MILL LEVIES

- The FRMD mill levy is currently set at 43.668 and has two components, Debt Service and Operations & Maintenance (O&M)

- The recent bond refinancing has allowed us to reduce the principal & interest in debt service to our bonds by $280,000

- This allows us to reduce our annual debt service mill levy, currently set at 38.210 to 33.000.

- The O&M rate is currently set at 5.458 and it is recommended that it be increased to 6.000 mills.

- Adopting the above mill levies would reduce the total mill levy to 39.000. To bring this into perspective, that would reduce the FRMD taxes on a $750,000 house by around $250 per year. An individual homeowner's FRMD taxes would be higher or lower, based on the value of their home.

4326 County Tax Entity Code DOLA LGID/SID _____/_____

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners[1] of JEFFERSON COUNTY, Colorado.

**On** behalf of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1,
(taxing entity)[A]

the BOARD OF DIRECTORS
(governing body)[B]

of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
(local government)[C]

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 2,805,897
(GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ _____
(NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

**Submitted:** *12/7/2020* for budget/fiscal year *2021*.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

| **PURPOSE** (see end notes for definitions and examples) | **LEVY**[2] | | **REVENUE**[2] |
|---|---|---|---|
| 1. General Operating Expenses[H] | 0.000 | mills | $ 0 |
| 2. <**Minus**> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I] | < > | mills | $< > |
| **SUBTOTAL FOR GENERAL OPERATING:** | **0.000** | mills | $ 0 |
| 3. General Obligation Bonds and Interest[J] | | mills | $ |
| 4. Contractual Obligations[K] | | mills | $ |
| 5. Capital Expenditures[L] | | mills | $ |
| 6. Refunds/Abatements[M] | | mills | $ |
| 7. Other[N] (specify): _____ | | mills | $ |
| _____ | | mills | $ |
| **TOTAL:** [Sum of General Operating Subtotal and Lines 3 to 7] | **0.000** | **mills** | **$ 0** |

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed: _____ Title: District Manager

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's *final* certification of valuation).

4327 County Tax Entity Code DOLA LGID/SID _____/_____

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners[1] of JEFFERSON COUNTY , Colorado.

**On** behalf of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2 ,
(taxing entity)[A]

the BOARD OF DIRECTORS
(governing body)[B]

of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2
(local government)[C]

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 24,125,979
(GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $
(NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

**Submitted:** *12/7/2020* for budget/fiscal year *2021*.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

| **PURPOSE** (see end notes for definitions and examples) | **LEVY[2]** | | **REVENUE[2]** |
|---|---|---|---|
| 1. General Operating Expenses[H] | 6.000 | mills | $ 144,756 |
| 2. <**Minus**> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I] | < > | mills | $< > |
| **SUBTOTAL FOR GENERAL OPERATING:** | **6.000** | mills | $ 144,756 |
| 3. General Obligation Bonds and Interest[J] | | mills | $ |
| 4. Contractual Obligations[K] | 33.000 | mills | $ 796,157 |
| 5. Capital Expenditures[L] | | mills | $ |
| 6. Refunds/Abatements[M] | | mills | $ |
| 7. Other[N] (specify): _____ | | mills | $ |
| _____ | | mills | $ |
| **TOTAL:** [Sum of General Operating Subtotal and Lines 3 to 7] | **39.000** | **mills** | **$ 940,913** |

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed: _____ Title: District Manager

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's *final* certification of valuation).

## CERTIFICATION OF TAX LEVIES, continued
## FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

### BONDS[J]:

1. Purpose of Issue: _____
   Series: _____
   Date of Issue: _____
   Coupon Rate: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

2. Purpose of Issue: _____
   Series: _____
   Date of Issue: _____
   Coupon Rate: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

### CONTRACTS[K]:

3. Purpose of Contract: Payment of property taxes to District No. 3 for debt service
   Title: Joint Funding and Capital Pledge Agreement
   Date: October 29, 2020
   Principal Amount: N/A
   Maturity Date: N/A
   Levy: 33.000
   Revenue: $796,157

4. Purpose of Contract: _____
   Title: _____
   Date: _____
   Principal Amount: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.

4328 County Tax Entity Code DOLA LGID/SID _____/_____

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners[1] of JEFFERSON COUNTY , Colorado.

**On** behalf of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3 ,
(taxing entity)[A]

the BOARD OF DIRECTORS
(governing body)[B]

of the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3
(local government)[C]

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 41,129,306
(GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ _____
(NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

**Submitted:** *12/7/2020* for budget/fiscal year *2021*.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

| **PURPOSE** (see end notes for definitions and examples) | **LEVY**[2] | | **REVENUE**[2] |
|---|---|---|---|
| 1. General Operating Expenses[H] | 6.000 | mills | $ 246,776 |
| 2. <**Minus**> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I] | < > | mills | $ < > |
| **SUBTOTAL FOR GENERAL OPERATING:** | **6.000** | mills | $ 246,776 |
| 3. General Obligation Bonds and Interest[J] | 33.000 | mills | $ 1,357,266 |
| 4. Contractual Obligations[K] | | mills | $ |
| 5. Capital Expenditures[L] | | mills | $ |
| 6. Refunds/Abatements[M] | | mills | $ |
| 7. Other[N] (specify): _____ | | mills | $ |
| _____ | | mills | $ |
| **TOTAL:** [Sum of General Operating Subtotal and Lines 3 to 7] | **39.000** | **mills** | **$ 1,604,042** |

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed: _____ Title: District Manager

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

[1] If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
[2] Levies must be rounded to three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's *final* certification of valuation).

## CERTIFICATION OF TAX LEVIES, continued
## FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

### BONDS[J]:

1. Purpose of Issue: Limited Tax General Obligation Refunding & Improvement Bonds
   Series: 2020
   Date of Issue: October 29, 2020
   Coupon Rate: Variable
   Maturity Date: 6/1/2050
   Levy: 33.000
   Revenue: $1,357,266

2. Purpose of Issue: _____
   Series: _____
   Date of Issue: _____
   Coupon Rate: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

### CONTRACTS[K]:

3. Purpose of Contract: _____
   Title: _____
   Date: _____
   Principal Amount: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

4. Purpose of Contract: _____
   Title: _____
   Date: _____
   Principal Amount: _____
   Maturity Date: _____
   Levy: _____
   Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.

**AGREEMENT FOR**
**COMMUNITY MANAGEMENT SERVICES**

This Agreement for Community Management Services ("***Agreement***") is entered into by and between Fossil Ridge Metropolitan District No. 1, a political subdivision of the State of Colorado ("***District***"), and Community Resource Services of Colorado, a Colorado limited liability corporation ("***Contractor***"). The District and Contractor are referred to collectively as the "***Parties***" or individually as a "***Party***".

**RECITALS**

**WHEREAS**, the District was organized pursuant to C.R.S. § 32-1-101, *et seq.* to provide public improvements within the boundaries of the planned residential community known as Solterra in Jefferson County, Colorado.

**WHEREAS**, the District has determined that it will require the services of an independent contractor skilled in Community Management, as described in Schedule A, in order to assist the District, including but not limited to District fee and utility service billing, on-site Community Management, website maintenance, contract negotiation and other services that require a Community Manager;

**WHEREAS**, the District desires to engage Contractor to perform Community Management Services on the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE I**
**SERVICES AND COMPENSATION**

**Section 1.1 Services and Compensation:**

(a) Services. The District retains Contractor and Contractor agrees to provide Community Management services described on the attached **Schedule A**, which is incorporated by reference into and made a part of this Agreement (collectively, the "***Services***"). The Parties may, from time to time, amend the Services to be provided by preparing and signing an amended Schedule A and attaching such amended Schedule A to this Agreement. Additional services beyond those identified in Schedule A or any amended Schedule A, if requested, shall be provided only when authorized in writing by the District. To the extent any provision of this Agreement and Schedule A or any amended Schedule A conflict, directly or indirectly, the provisions of this Agreement shall prevail.

(b) Commencement Date. Contractor shall commence performance of the Services on the 1st day of January, 2021.

(c) Compensation. In consideration of Contractor's satisfactory performance and completion of the Services, the District shall pay Contractor pursuant to the schedule set forth

in **Schedule B**, which is incorporated by reference into and made a part of this Agreement. The Parties may, from time to time, amend the compensation to be paid by preparing and signing an amended Schedule B and attaching such amended Schedule B to this Agreement.

**Section 1.2 Payment:** The District will make payment to Contractor for Services performed within thirty (30) days after invoices are submitted by Contractor, which invoices may not be submitted more frequently than monthly. Invoices shall indicate the basis upon which payment is requested, such as type of service, dates of service, and rate of compensation. Late fees, penalties, and interest will not be charged against any disputed amount the District does not pay by the date owed; any undisputed amount the District does not pay by the date owed will accrue interest (but no late fee or penalty) at the rate of 8% per annum from the date owed through the date paid in full.

**Section 1.3 Set-Off:** In addition to any other rights the District has under this Agreement or in law or equity for indemnity or other reimbursement, recoupment, or payment by Contractor, Contractor agrees that the District is entitled to set off any amounts it may owe Contractor under this Agreement against such claims for indemnity or other reimbursement, recoupment, or payment.

**Section 1.4 Non-Appropriation:** The District's financial obligations under this Agreement are subject to annual appropriation by the District's Board of Directors ("***Board***"). If the Board does not appropriate funds beyond the current calendar year, this Agreement shall automatically terminate on January 1 of the year for which the non-appropriation occurred, with no further obligation whatsoever to Contractor. The District shall promptly give notice to Contractor of any such failure to appropriate funds; provided, however, that the District's failure to provide such notice shall not affect the District's right of non-appropriation under this Section.

## ARTICLE II
## ADMINISTRATION OF AGREEMENT

**Section 2.1 Performance of Services and Warranties:**

(a) Qualifications. Contractor warrants that it is qualified to assume the responsibilities and perform the Services provided for in this Agreement, and has all requisite corporate authority and professional licenses, if any, required by law. All Services shall be performed timely in accordance with generally accepted practices and standards and at the level of competency presently maintained by other professionals providing the same general type of work as the Services.

(b) Compliance with Law. Contractor certifies that it will fully comply with all federal, state, and local laws, rules, regulations, ordinances, and orders applicable to the Services or Contractor's performance of the Services.

**Section 2.2 Insurance:** Contractor certifies that it will obtain, at a minimum, the following insurance policies and will furnish satisfactory evidence of such insurance to the District prior to commencing the Services and subsequently upon request by the District:

(a) Worker's compensation and unemployment 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 State of Colorado;

(b) Commercial general liability insurance with limits of liability of not less than $1,000,000 per occurrence for bodily injury and property damage liability, with $2,000,000 designated location, general aggregate. Such insurance shall include all major divisions of coverage and be on a comprehensive basis. Such policy must include coverage extension to cover Contractor's indemnification obligations set forth in Section 2.6 below, to the extent such indemnification obligation arises from or relates to an event of bodily injury or property damage;

(c) 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 not less than $1,000,000 combined single limit bodily injury and property damage. Such policy must include coverage extension to cover Contractor's indemnification obligations set forth in Section 2.6 below, to the extent such indemnification obligation arises from or relates to an event of bodily injury or property damage; and

(d) Professional liability insurance with limits of liability not less than $1,000,000 per occurrence.

**Section 2.3 Independent Contractor:** Contractor's status shall at all times be that of an independent contractor. Under no circumstances shall Contractor or any of its employees be considered a District employee, agent, partner, or coventurer. Except as necessary to ensure the Services are performed in accordance with the District's requirements and expectations, the District will have no control or supervision over the manner in which Contractor performs the Services. The District's only concern is with the results of the Contractor's Services. Contractor shall at all times be solely and entirely responsible for its acts and the acts of its employees during performance of this Agreement.

CONTRACTOR UNDERSTANDS AND AGREES: (A) NEITHER CONTRACTOR NOR ANY OF ITS EMPLOYEES IS ENTITLED TO WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION INSURANCE BENEFITS UNLESS WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION COVERAGE IS PROVIDED BY CONTRACTOR OR SOME ENTITY OTHER THAN THE DISTRICT; AND (B) CONTRACTOR IS OBLIGATED TO MAKE ALL APPLICABLE FEDERAL AND STATE TAX WTIHHOLDINGS AND TO PAY ALL APPLICABLE FEDERAL, STATE, AND LOCAL EMPLOYMENT TAXES ON ANY MONEYS EARNED BY CONTRACTOR'S EMPLOYEES. THE DISTRICT WILL NOT MAKE FEDERAL, STATE, AND LOCAL WITHHOLDINGS AND WILL NOT PROVIDE WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION INSUARNCE.

Contractor certifies that 20-3218771 is Contractor's correct Federal Taxpayer Identification Number. By signing this Agreement, Contractor certifies that it assumes full responsibility for the payment of all contributions, payroll taxes, income taxes, withholdings, and backup withholdings

or assessments under federal, state, and local law. The District will only provide Contractor with, and will file, an IRS Form 1099 in compliance with federal, state, and local law.

**Section 2.4 Subcontractors:** Prior to utilizing any subcontractor in performing the Services, Contractor shall notify the District in writing of Contractor's intent to utilize such subcontractor and the general scope of work to be performed by such subcontractor. The District may, in its reasonable discretion, reject any proposed subcontractor, in which case Contractor shall either perform such scope of work itself, or secure a subcontractor acceptable to the District.

**Section 2.5 Illegal Aliens:** Contractor shall not knowingly employ or contract with an illegal alien in performing the Services; nor will it enter into a contract with a subcontractor who fails to certify that it will not knowingly employ or contract with an illegal alien to perform work on the Services.

Contractor certifies it does not knowingly employ or contract with an illegal alien who will perform work on the Services, and Contractor will participate in the E-Verify Program or the State Department of Labor and Employment Program ("***State Program***") in order to confirm the employment eligibility of all employees newly hired by Contractor for the purpose of performing the Services. Under no circumstances will Contractor use either the E-Verify Program or the State Program procedures to undertake pre-employment screening of job applicants while performing the Services.

If, while performing the Services, Contractor acquires actual knowledge that a subcontractor performing work on the Services knowingly employs or contracts with an illegal alien, Contractor will (i) notify the subcontractor and the District within three business days that Contractor has actual knowledge the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontractor's contract if within three business days of receiving the notice required in (i) above, the subcontractor does not stop employing or contracting with the illegal alien; except, Contractor will not terminate the subcontractor's contract if during the three business days the subcontractor provides information establishing the subcontractor has not knowingly employed or contracted with an illegal alien.

Contractor will comply with any reasonable request by the Colorado Department of Labor and Employment made during an investigation pursuant to C.R.S. § 8-17.5-102(5). Contractor agrees that, if it violates this paragraph, the District may terminate this Agreement, and may seek actual and consequential damages. Contractor acknowledges the District also will notify the Secretary of State, which may take further action against Contractor.

**Section 2.6 Indemnification:** Contractor shall indemnify, defend, and hold harmless the District and its directors, officers, employees, volunteers, and agents (collectively, "***Indemnified Parties***") from and against all claims, demands, liabilities, losses, or damages, including but not limited to reasonable attorneys' fees, arising from or relating to the intentional or negligent performance of the Services or any act or omission in connection with this Agreement by Contractor or Contractor's employees or agents. The Indemnified Parties have the right to select their legal counsel notwithstanding Contractor's obligation to pay the attorneys' fees, costs, and expenses incurred by such legal counsel.

## ARTICLE III
## RESPONSIBILITIES OF DISTRICT

**Section 3.1 Access to Property and Documents:** The District shall provide Contractor with access to the Retreat and other District property as reasonably required by Contractor to perform the Services. The District shall provide Contractor with data, information, reports, and other such documentation (collectively, "***District Documents***") as are available to the District and permitted by law to be disclosed, and are reasonably required by Contractor to perform the Services. Except as required by law, Contractor shall not disclose the District Documents or any information contained therein to third parties without the prior written consent of the District; provided that Contractor may disclose District Documents to a subcontractor of Contractor as necessary to perform the Services. Contractor shall return all District Documents to the District upon the District's request or upon termination of this Agreement, whichever shall first occur. Unless otherwise directed by the District, Contractor is authorized by the District to retain copies of District Documents at Contractor's expense if necessary for Contractor's legitimate business reasons.

**Section 3.2 Colorado Open Records Act:** This Agreement and any communications, documents, invoices, drawings, papers, or other materials of any kind or nature provided by Contractor to the District may be subject to disclosure by the District pursuant to the Colorado Open Records Act, C.R.S. § 24-72-201, *et seq.* Any information that Contractor deems proprietary or a trade secret must be clearly marked as such. The District will only protect from disclosure expressly marked propriety or trade secret information to the extent permitted by law.

**Section 3.3 Intellectual Property Rights:** The District shall have full title to and ownership of any work product created by Contractor in furtherance of performing the Services pursuant to this Agreement (whether solely or jointly with others), all of which shall be deemed "works made for hire," as defined in the United States Copyright Act (17 U.S.C. § 101, *et seq*.). Unless the District agrees otherwise, all material prepared or developed by Contractor pursuant to this Agreement, including, but not limited to, documents, calculations, notes, reports, paper or electronic data, models, samples, spreadsheets, databases, source and object code, and computer-aided drafting documents shall: (i) remain the District's property when prepared, whether delivered to the District or not; and (ii) together with any materials the District furnishes, be delivered to the District upon the District's request or upon termination of this Agreement, whichever shall first occur.

**Section 3.4 District's Representative:** The District will designate a representative or committee member with authority to act for the District with respect to the Services provided by Contractor. Such representative has the authority to transmit instructions, receive information, interpret the District's policies, and make decisions with respect to the Services. Notwithstanding the foregoing, no verbal conversation or agreement with any District director, officer, employee, volunteer, or agent of the District, including its representative, shall affect or modify any provision or obligation of this Agreement. The District designates the District Board President or their delegee as the District Representative and bound by the authority to act provided above.

## ARTICLE IV

## MISCELLANEOUS

**Section 4.1 Effective Date:** This Agreement shall be effective as of the 1st day of January, 2021.

**Section 4.2 Term and Termination/Default:**

(a) In General. The term of this Agreement ("Term") shall commence on the Effective Date and continue until terminated in accordance with the provisions of this Agreement. Notwithstanding any provision of this Agreement to the contrary, Sections 1.3, 2.6, and 3.2 shall survive any termination of this Agreement.

(b) Termination for Convenience. Either Party may terminate this Agreement without cause by giving written notice to the other Party. Unless otherwise mutually agreed to by the Parties, the notice of termination shall be effective (i) if given by the District to Contractor, 30 days after being given or upon such later date as may be specified in the notice; or (ii) if given by Contractor to the District, on January 1 of the succeeding calendar year if the notice is given on or before September 1 of any year, or if given after September 1 of any year, then on January 1 of the year after the succeeding calendar year.

(c) Termination for Default. If either Party defaults in its performance under this Agreement, the non-defaulting Party shall notify the defaulting Party of the default, and the defaulting Party shall have the right to cure, or to make substantial efforts to cure, the default within 30 calendar days after the notice of default is given. If the defaulting Party fails to cure, or to make substantial efforts to cure, the default within the 30 calendar day period, the non-defaulting Party, at its option, may immediately terminate this Agreement or may treat this Agreement as being in full force and effect. If the non-defaulting Party elects to treat this Agreement as being in full force and effect, the non-defaulting Party shall have the right to bring an action for specific performance or damages, or both, to the extent permitted by law.

(d) Effect of Termination. In the event of termination pursuant to subsection 4.2(b) or (c) above, (i) Contractor will deliver to the District any goods, materials, and equipment paid for as part of the Services; and (ii) the District will pay Contractor for the prorated potion of the Services satisfactorily performed to the date of termination, subject to the District's right of set-off pursuant to Section 1.3 above.

**Section 4.3 Notice:** Any notice required or permitted under this Agreement shall be in writing and hand delivered or sent by certified/registered mail, return receipt requested, to the address below, or at another address previously furnished in writing to the other Party pursuant to this Section. A notice sent by certified/registered mail is deemed given when received, or 3 business days after the date sent, if not accepted by the Party to whom it was sent, whichever is earlier.

| DISTRICT | CONTRACTOR |
|---|---|
| Fossil Ridge Metropolitan District No. 1 | Community Resource Services of Colorado |
| Attn: Board President | Attn: Sue Blair, CEO |
| 15250 W. Evans Avenue | 7995 E. Prentice Avenue, Suite 103E |

Lakewood, CO 80228 Greenwood Village, CO O 80111

**Section 4.4 Governmental Immunity:** This Agreement is not intended, and shall not be construed, as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the District and its current or past directors, officers, employees, and volunteers under common law or pursuant to federal or state constitutional, statutory, or common law, including but not limited to, the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq*.

**Section 4.5 Additional Provisions:** Colorado law governs this Agreement. Exclusive jurisdiction and venue for any dispute arising from or relating to this Agreement or the Services shall be in the Jefferson County District Court. This Agreement is the entire agreement between the Parties and there are no oral or collateral agreements or understandings. This Agreement may only be amended by a document signed by the Parties. Course of performance, no matter how long it may continue, shall not constitute an amendment to this Agreement. If any provision is held invalid or unenforceable, all other provisions shall continue in full force and effect. Waiver of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Parties and their legal representatives, successors, and permitted assigns. This Agreement is not intended to, and shall not, confer rights on any person or entity not named as a party to this Agreement. Neither Party shall assign this Agreement without the written consent of the other Party, which consent may be granted or withheld in the other Party's sole discretion. In any dispute arising from or relating to this Agreement, the prevailing Party shall be awarded its reasonable attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting upon any judgment, order, or award. This Agreement may be executed in several counterparts and by facsimile or electronic pdf, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

THE REMAINDER OF THIS PAGE IS BLANK. THE SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the Parties have signed this Agreement.

**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1, a political subdivision of the State of Colorado**

By: _____
Signature

Lloyd T. Waterman, President

**CONTRACTOR:**
**COMMUNITY RESOURCE SERVICES OF COLORADO**

By: _____
Signature

Sue Blair, CEO

STATE OF COLORADO )
) ss.
COUNTY OF JEFFERSON )

Subscribed and sworn to before me this _____ day of _____, 2020, by Sue Blair, CEO, Community Resource Services of Colorado.

WITNESS my hand and official seal.

My commission expires:

_____
[SEAL] Notary Public

**SCHEDULE A**
**TO COMMUNITY MANAGEMENT SERVICES AGREEMENT**
**FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**
**COMMUNITY MANAGEMENT SERVICES**

***SERVICE: DISTRICT FEES & UTILITY SERVICE BILLING***

Invoice and collect all general and special assessments as they become due and payable each month, from all Owners, and all monies due from any sources which are obligated to and for the benefit of the District. The Board of Directors hereby authorizes Community Manager, as its Agent (CM Agent) to request, demand, collect, receive and receipt any and all charges, assessments or rents which may at any time become due by the way of legal process or otherwise, as it may be required for the collection of delinquent accounts, and provide a monthly written Status Report of such activities. CRS to work with District legal counsel as needed for collections.

Billing schedule to follow current practice:

Quarterly District Fees, due quarterly on the 1st day of January, April, July, October. Billing to be mailed the 10th day of the month preceding.

Assuming receipt of sewer charges from Green Mountain Water & Sanitation by the 15th day of the month following the end of a quarter, CRS will bill residents with a due date of the 1st day of February, May, August, November. CRS will automate, if possible, the input of invoices from Green Mountain Water & Sanitation into the billing system. (Exception: The first billing for 2021 will be completed by Overlook and account information provided to CRS by February 15, 2021)

Maintenance Fee Areas Billing to be produced on the same schedule as the Quarterly District Fees. (Exception: The first billing for 2021 will be completed by Overlook and account information provided to CRS by February 15, 2021)

As needed, the Community Manager will work with the District 1 Treasurer and the Finance Committee on matters related to service billings, banking needs, budgeting, and other financial activities.

***SERVICE: DEPOSITS AND BANKING***

Deposit all receipts from whatever source including assessments in a financial institution or institutions insured by an agency of the federal government, in an account or accounts not co-mingled with any other party. All banks used will be PDPA banks.

***SERVICE: GENERAL ADMINISTRATION***

Community Manager shall assist and/or advise the Board of Directors in all matters of administration, including but not limited to the following:

Maintain a District property inventory system. To be considered: managing inventory list through secure Board page website.

Maintain a record file containing papers relative to administration and ownership and update the file as circumstances warrant. Such files shall include but not be limited to a complete roster of resident owners, absentee owners, and resident renters. All files to be

kept digitally, including reports, maps, contract, invoices, etc. CRS currently utilizes two backups: an on-site backup and a cloud backup.

Advise the Board of Directors in, or initiate itself, general correspondence dealing with business matters of the District between governmental officials, independent contractors, Owners and other entities with which the District or its representative have a business relationship, and maintain an index recording file thereof. Develop a list of which business matters certain board members will be copied on. For example, copy the Treasurers when certain filings are completed, e.g. filing the annual audit with the State Auditor. Whenever CRS completes any surveys or governmental requests, ensure the appropriate board member is provided a copy of the survey or governmental request form.

Assist the Board of Directors in the administration of provisions of District instruments and the policies, rules and regulations contained in valid Board resolutions.

Attendance at all Board meetings each year.

The payment of any one item of repair or replacement: Expenses incurred by Community Manager shall not exceed the sum of $800.00 unless specifically authorized by the Board of Directors provided, however, that emergency repairs involving the preservation and safety of the District complex or for the safety of the Residents, or required to avoid the suspension of any necessary services to the District may be made by Community Manager, with reasonable measurers to first be taken to contact a Board Members of the District, irrespective of the cost limitation imposed by this paragraph.

Inform the Board of Directors, on a continuing basis, concerning legislation, decisions, tax rulings, insurance and financial practices pertaining to District, which come to Community Manager's attention.

Written report to the Board of Directors on any actual or anticipated violations of the District Instruments, Rules and Regulations, or Board Resolutions, which come to Community Manager’s attention, and take action within its scope of authority to seek cures for such violations.

Assist the Board of Directors in the development of good communication with Owners and a high level of Owner participation in the affairs of the District, including but not limited to assisting in the preparation of orientation material for new owners and mailing notices of meetings, reports and periodic newsletters.

Community Manager shall provide the proper organization of meetings of the District, including preparation of reports, selection of materials and procedures, and securing necessary personnel.

***SERVICE*: COMMUNITY MANAGEMENT**

Community Manager shall assist and/or advise the Board of Directors and/or contractors of the District in all matters related to the maintenance of the Common areas, specifically:

Cause the common and limited common areas of the District complex, if any, to be maintained according to standards established by the State of Colorado and/or the City and County of the property, the District Instruments and the Board of Directors. The standards and actions related thereto shall include, but not be limited to the following:

Maintain comprehensive procurement procedures, including but not limited to the creation of standard specifications for bids in matters of a recurring nature, regardless of the amount of monies involved or complexity of services desired.

ON-SITE Management: CRS staff will be on-site Monday – Friday, 10:00 a.m. to 4:00 p.m. In addition, CRS will be cross-training 2 additional staff members, for a total of 4 staff person ensuring sufficient coverage for The Retreat. On-site management will increase the visibility to and capacity to assist community members. The Retreat will continue with the same hours of operation, with Saturday and evening hours remaining in place.

Implement a preventive maintenance program for all real and personal property, as approved by the Board of Directors, with this program to be developed and maintained on a regular basis reflecting useful life cycles of common element components and/or equipment. Community Manager should use the Reserve Study to develop the preventative maintenance program.

Oversee the operations of all contractors who perform work for the District, excluding the Retreat Management Contract and the Pool Management Contract, including but not limited to investigation as to bonding, insurance materials, workmanship and warranties, and by reviewing work of contractors and enforcing the conditions of those contracts. The Community Manager to work closely with the Landscape Committee for all common area work, work with the Retreat and Pool Committee for items related to the Retreat and the Pool. In addition, the Community Manager will work with the District Engineer (DE) and the DE Liaison for Reserve Study items other than Retreat and Pool items.

Make recommendations for capital improvements and any other recommendation as may be appropriate for the improvement of the community. Provide input to the CRS Accountant and the FRMD Finance Committee for the annual budgeting process.

Inspect the cleanliness and working conditions of all common building areas and ground areas including light fixtures, trash and storage rooms, sprinkler systems, driveways, sidewalks and landscaping, as applicable, and to determine whether such are receiving adequate care and maintenance.

Establish and maintain a 24-hour, seven-day-a-week maintenance and emergency system, including but not limited to the retention of an answering service for communication with the Residents. The maintenance and emergency support system shall include the retention of qualified and/or licensed personnel of firms in all trades deemed necessary to maintain the District at all times in a decent, safe and sanitary condition. Retained personnel or firms shall be subject to call whenever a matter affecting health, safety or a reasonable level of personal discomfort arises.

Community Manager will respond to violations of District owned common area requirements and will enforce same in accordance with District policy.

***SERVICE: CONTRACTING POLICIES***

Except as approved by the Board of Directors or permitted herein, contractors shall be selected pursuant to competitive bidding procedures and written specifications. Community Manager shall submit a recommendation to the Board of Directors containing Community Manager's evaluation of the bid and its adherence to the specification, and information on the past experience and such other information as may be helpful to the Board of Directors.

After selection, Community Manager shall oversee the activities of the Contractor, including but not limited to the receiving of warranties, review of the quality of workmanship and enforcement of Contractor's warranties shall be the duty of Community Manager. Community Manager also shall fully cooperate with consultants that may be retained by the Board of Directors to accomplish specialized functions for the District in the areas of law, public accounting and civil engineering.

Community Manager to work with District legal counsel as needed to ensure proper contract usage and execution.

***SERVICE: BOOKS, RECORDS, INSPECTION AND AUDIT***

Community Manager shall maintain a comprehensive system of office records, books and accounts in a manner satisfactory to the Board of Directors and/or as set forth in this Agreement for all matters related to assessment collection. Originals of all records will be maintained by Community Manager; however, they shall be deemed the property of the District.

All records, books and accounts maintained at Community Manager's offices shall be made available for inspection by any and all Owners or their authorized representatives, upon 24-hour notice, during normal business hours.

Community Manager shall cooperate fully with the independent accountant selected by the Board of Directors in the conduct of a periodic audit or review as required by the Board of Directors or the District Instruments, including making all records, books, and accounts available for their audit or review, if applicable.

***SERVICE: INSURANCE***

Community Manager shall assist the Board of Directors in ensuring that advisable insurance covering the District, its property and activities in effect, when authorized by the Board of Directors in writing. When authorized by the Board of Directors, Community Manager shall cause to be placed and kept in force all forms of insurance to protect the District, Owners and mortgagees holding mortgages covering the District, as their respective interest may appear (or as required by law or the District instruments), including but not limited to Directors/ Officers and public liability insurance, equipment insurance, fire and extended coverage insurance and burglary and theft insurance.

All of the various types of insurance coverage required shall be placed with such companies in such amounts and with such beneficial interest appearing therein as shall be acceptable to the Board of Directors and to the mortgagees holding mortgages secured by any of the District property.

Community Manager shall promptly investigate and make a full report on all accidents and claims for damage relating to personal injury in the common elements or relating to the management, operation, maintenance and welfare of the District property, and shall cooperate and promptly make any and all reports to an insurance company in connection therewith.

***SERVICE: TERMINATION AND RENEWAL***

After receipt of a Notice of Termination, and except as otherwise directed by the Board of Directors, Community Manager shall:

Stop such work under the contract on the date and to the extent specified in the Notice of Termination;

Place no further orders to subcontractors for materials, services or facilities, except as may be necessary for completion of such portion of the work under contract that is not terminated;

Terminate all orders and subcontractors to the extent that they relate to the performance work terminated by the Notice of Termination;

Assign to the District, in the manner, at the times and to the extent directed by the Board of Directors, all of the rights, titles and interests of Community Manager.

Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval of the Board of Directors; to the extent it may be required. This approval shall be final for all the purposes of this clause;

Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

Within three (3) weeks of the Notice of Termination, a representative of the District, or its designated Agent (District Agent), shall have the full right to enter the principal premises of Community Manager to review the District records and make an itemized claim for the delivering, no later than the last day of the contract period, of such records as the District's representative determines. The Agent shall not be entitled to any compensation or reimbursement of costs for activities relating to the turnover of records, providing the District pays the cost of reproducing any records Community Manager deems necessary to its continuing interests in the period following termination date of the contract. This latter provision is not intended to cover total duplication of records, but to afford the District Agent the opportunity to retain copies of such documentation as may be material in any further claim regarding Community Manager's performance during the contract period under its responsibility.

A date and time shall be set for a meeting to take place in Community Manager's principal office, on or before the last day of the term of the Agreement, for the purpose of turning over to the District all requested records, all funds and deposit accounts (except for any escrow account established under these provisions), and to execute any agreements and releases relating to the conclusion of contractual obligations. The District shall not withhold undisputed funds owed to Community Manager, due to the termination of the contract by either party for any reason.

***SERVICE: REPORTS AND FILINGS***

Community Manager shall prepare a packet to be presented prior to the regular meeting of the Board of Directors. This report shall normally contain the following information:

Status of Maintenance: progress of subcontracted repair and maintenance work, emerging problems with grounds and buildings, and recommendations for further action. Also included will be the items on the preventive maintenance program schedule and property inventory program.

Status of Administration: significant violations of the bylaw and rules and other regulations; actions involving security, vandalism and insurance claims; and all other matters not falling within the categories of maintenance and finance.

CRS to provide monthly reports regarding the transition activities and subsequent tasks as outlined in this document. Initially, zoom meetings will be scheduled weekly to review transition progress. To avoid a quorum issue, no more than 2 Board members for each District will be attending these meetings.

Develop Community Emergency Response Plan. Items to be included (list is not exhaustive) are fire, emergency services, security (police action), pandemic, weather events, etc. Also, to be included is an emergency notification plan.

## MISCELLANEOUS -AFFILIATED INTEREST

Community Manager shall not enter into any agreement to provide goods and services to the District with any party, partnership, corporation or other entity related to or affiliated with Community Manager, its directors, officers and employees without prior written approval of the Board of Directors.

## APPENDIX A
## TRANSITION - DOCUMENT REQUEST LIST

Please provide all information for 2019 and 2020 unless otherwise noted.

Requested records by December 31, 2020 include the electronic copies of the following:

- 2019 and 2020 YTD General Ledger
- 2019 and 2020 YTD Check Registers
- December 31, 2019 and 2020 YTD Trial Balance
- Bank reconciliations
- Checking, debit, reserve and investment account statements
- Listing of authorized signers on all bank and investment accounts
- Financial Statements

Records requested by December 31, 2020 include all hard copy and electronic files and records of the following:

- Agreements and contracts currently in place or terminated in 2020
- Listing of current homeowners, with addresses and all account information on file
- All files uploaded to the Solterra Connect website. All photos to be included as well.
- All necessary contact information for website hosting entity and necessary passwords.
- Annual Calendar of tasks developed for the community.
- All service plan and related District organization documents.
- CC&R Documents – electronic copies
- CC&R Documents – hard copies
- All insurance documents related to the community and District.
- Reserve Study documents – hard copy and electronic copy
- IRS Forms (W-2, W-3, 1099s)
- Detail listing/aging of accounts receivable at 12/31/2019, 12/31/2020
- Billing and cash receipts reports
- Budget files, reports, resolutions, etc.
- Fixed Asset Schedules
- Correspondence files
- All community contact information for vendors, Board members, residents, etc.
- Any login information for websites used for the HOA (bank, State, etc)
- Community maps
- Work Order records
- Resident call records
- All maintenance schedules and preventative maintenance schedules.
- Procurement procedures and policies
- All property schedules related to the Developer
- Covenant enforcement records and/or any covenant enforcement information
- Committee records including Design Review Committee historical records
- All electronic and hard copy files of Board Packets

- All Annual Meeting/Election material – electronic and hard copy
- Hard copies of SB-100 policies and required disclosures
- Confirmation of distribution of annual required disclosures
- All other Fossil Ridge Metropolitan Districts property and records in possession of Overlook Management.
- Any physical equipment or materials related to the property, such as signs, playground equipment, etc.

## SCHEDULE A-1 (TIMELINE)

Assumptions:

Overlook notified by November 3rd
CRS to visit Overlook offices no later than November 25th
Announcement of change during Board meeting on December 7th

Deadline Date: December 1, 2020

- Conference with ADG to discuss transition of data from Overlook to CRS.
- CRS website designer will re-build Solterra-Connect website and create a new Metro District website through SIPA. It could take several months to get the SIPA website created. The District will need to apply to get on SIPA's list. CRS to apply for a SIPA website immediately after contract execution.

Deadline Date: December 15, 2020

- Revise Solterra-Connect website with new CRS contact information to happen immediately upon access.
- Send out notice requesting that customers change bill pay electronic check address to CRS with the December billing as well as the year-end sewer billing. The mailing will include the necessary ACH form for homeowners to complete and return to CRS for automatic withdraw.
- Create notice on each bill as necessary, requesting that customers change bill pay electronic check address to CRS.
- New signature cards as necessary for bank accounts, add CRS representative's authorization to perform wires and transfers. To be completed at the December 7, 2020 Board meeting at which the change is announced.
- Contact banks immediately regarding change of management effective January 1, 2021, and determine if resolutions from the Board are recommended or required.
- Change current website to reflect new management and direct to new website being developed. This can be changed on December 8, 2020 – after Board meeting announcement.
- Schedule a property tour with Overlook to review projects in progress, necessary property information, and any additional information needed for operation.

Deadline Date: December 31, 2020

- Install necessary equipment on-site at CRS for electronic deposits.
- Obtain files from Overlook related to all contracts, maintenance records, preventative maintenance plans, and Developer schedules.
- Prepare The Retreat office for Community Management tasks: update computer, add desk, reorganize and redefine spaces. This will be done by December 31, 2020.
- Contact all contractors to provide notice of billing address change.
- CRS to develop or modify property record information as needed to be immediately effective.

- Obtain records mentioned above, immediately from Overlook: preventative maintenance plan, procurement procedures, and contracts executed.

Deadline Date: January 15, 2021

- Review all COIs on file and ensure contractors have submitted the property insurance documentation for working on the property.

Deadline Date: January 31, 2021

- Schedule a meeting with the Boards of Directors to review immediate concerns they would like addressed.

Deadline Date: March 31, 2021

- Develop District policy outlining Community Manager's autonomy related to general correspondence dealing with business matters of the District between governmental officials, independent contractors, Owners and other entities with which the District or its representative have a business relationship.
- Schedule meetings with all contractors for the property to review the transitions, work already scheduled, and items needing addressed.
- Schedule meetings with the City of Lakewood to review establish relationship, property responsibilities, and address any outstanding items.
- Attend meetings with the Developer and the Board representatives to ensure complete understanding of transitions and development status.
- Establish relationship with Green Mountain Water & Sewer Department.
- CRS to schedule on-site review of coverages with insurance agent.

Deadline Dependent Upon Information/Decision From Overlook (This has been verified that Overlook will perform the billing and payment collection for the 1st payments due in 2021. Therefore, dates are set now based upon that agreement.)

- Implement ADG Citizen Link for Fossil Ridge.
- Transition of historical data and billing system. Amount of historical data to be determined by the information received from Overlook.
- CRS billing system live date: March 1, 2021
- Prepare and mail/email notice of management change, in connection with District Fees & Utility Service billing notice. (To be placed in the 1st billing of 2021 – sent by Overlook)
- Overlook to transfer utility billing data to CRS no later than February 15, 2021.
- Produce "test" bills as soon as applicable, following February 15 information transfer.
- ACH form made available on website. February 15, 2021
- Develop a District website with all necessary information. Website to link to the HOA website. Obtain all necessary documents, photos, and information from Overlook to build new website. Timeline dependent upon transfer of current website to District by Overlook.

## SCHEDULE B

## RATE SCHEDULE

In consideration of Contractor's satisfactory performance and completion of the Services, and in accordance with the terms and conditions set forth in the Agreement, the District shall pay Contractor pursuant to the following rate schedule:

**1.** **Annual Compensation.** The District shall pay Contractor an annual fee of $69,600, divided into 12 equal monthly installments of $5,800.00 to provide district fee and utility service billing. The District will not be charged for transition services up to a total of $5,000. Accounting services related to District fee and utility service billing is included in the capped amount. Such services include, but are not limited to, monthly receivables and billing reports and deposit of payments. Said reports will be provided to the District's accountant. General accounting services for the Districts, including preparation of quarterly financial statements, are billed separately on an hourly basis as part of the current accounting contract between the Districts and CRS.

**2.** **Expense Reimbursement.** The District shall reimburse Contractor for the actual cost Contractor incurs, without markup, for postage and printing of billing statements.

**3.** **Additional Services.** In the event the District requests, and Contractor agrees to provide, additional services beyond those identified in Schedule A, the Parties shall negotiate and agree in writing on the separate compensation to be paid for those additional services.

***FRMD Finance Committee Recommendation (11/27/2020)***

**FOR FRMD BOARDS OF DIRECTORS REVIEW, DISCUSSION, AND PUBLIC COMMENT:**

1. **ADOPTION OF MODIFIED POLICY FOR CHARGING REPAIRS, MAINTENANCE, AND CAPITAL EXPENSES**

2. **ADOPTION OF IMPROVEMENTS TO ASSOCIATED FINANCIAL STATEMENT DISCLOSURE AND BUDGET FOR THE RESERVE STUDY FUND AND CAPITAL PROJECTS FUND**

**BACKGROUND**

During the FRMD Board meeting on August 17, 2020, there was a discussion about expenses charged to repairs, maintenance, and the reserve fund. The Board requested the Finance Committee clarify expense charges to repairs/capital expenditures and draft an expense/reserve policy for the Board to review and possibly adopt for implementation on the FRMD budget and financial statements for the year beginning January 1, 2021.

The health of the FRMD Reserve Fund is vital to protecting the financial viability of the district and the property values of its residents. The Reserve Study conducted in 2019 provides some clarity around “reserve assets”. However, current FRMD guidance relating to the issues of repairs, maintenance, capital projects, and reserve study charges is unclear.

The Finance Committee conducted research into the definition of repairs, maintenance, and capital expense; and reviewed reserve study policies, as well as budgeting, and accounting procedures listed below in arriving at the recommendations:

- FRMD Reserve Study by ARS, dated 12/31/2019, regarding reserve study expenses and assets: “A “Reserve” asset is an item that is the responsibility of the metropolitan district to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost.”

- Internal Revenue Service guidance regarding the distinction between repairs and capital improvements; and establishing a de minimus safe harbor threshold: While the district is not a taxable entity, the technical logic from the IRS is relevant. Generally, repairs and maintenance expenses are deductible while improvements that add to the value or prolong the useful life of the property are capital improvements. Under final IRS regulations, an expense that results in the betterment, restoration, or adaptation to a new and different use of the property is treated as an improvement that is capitalized unless a special safe harbor allows

a current deduction. The safe harbor is up to $5000 for an entity with audited financial statements.

- FRMD final audited financial statements provide language regarding the current definition of a capital asset: “Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years.” There is no definition of repairs or maintenance.

- Policies for repairs and/or reserve expenses in other metro districts, homeowner’s associations, and CPA firm guidance

- Feedback from Christine McLeod CPA, Haynie and Co. (FRMD auditors)

- Extensive discussion among Finance Committee members (several are CPAs or have extensive accounting/financial backgrounds) regarding the draft recommendations

Based upon review of this information and considering the goal of simplifying and strengthening the current policy, the Finance Committee recommends the following.

**RECOMMENDED POLICY IN EFFECT STARTING JANUARY 1, 2021:**

A. The following definitions should be adopted as FRMD policy:

Repairs: expense incurred to restore an asset to a previous operating condition or to keep an asset in its current operating condition. Repairs are restoration work for when something gets broken, damaged or stops working.

Maintenance: expense incurred that are routine activities meant to prevent damage and prolong the life of appliances, fixtures, and the property itself. Recurring maintenance contracts are included as routine activities.

Capital: expense incurred to maintain or increase the overall value of assets and are used by the district to replace, acquire, upgrade, and enhance physical assets such as property, plants, buildings, technology, or equipment. Generally, capital expenses have a useful life of more than one year.

Threshold Exception: If a repair, maintenance, or capital expense is $5000 or less, the amount would be charged to the general fund. If a repair, maintenance, or capital expense is more than $5000, it would be deemed a capital expenditure and charged to the capital projects fund or reserve fund, as appropriate. See Section B. for determination of the appropriate fund.

B. Expense determinations should be based on the steps below:

1. Evaluate the expense as repair, maintenance, or capital.

2. If it meets the definition of a repair or maintenance expense (including the threshold amount discussed above), charge to general fund. Recurring maintenance contracts should be charged the general fund.

3. If it meets the definition of a capital expense (including the threshold amount discussed above), determine if the capital item is addressed in the reserve study or reserve budget.

4. Subject to Board approval, charge the expense to the reserve fund if the requirement in 3. is met. If not met, charge to the capital projects fund.

C. Financial statements and budgets, beginning in 2021, will be revised to disclose in a separate funds statement the key elements of the reserve fund (including reporting period, opening balance, detail of charges to the fund, detail of contributions to the fund, prorated budget amounts, and a closing balance). The reserve fund was created to accumulate funds for future reserve asset expenses as provided in the reserve study.

   The capital projects fund and budget will also be separately stated in a funds statement beginning in 2021.

D. Since the reserve fund balance will be separately stated in the financials, the budget process for these funds should be transparent and structured. Steps to calculate the 2021 and subsequent budgets:

   1. Review reserve study for reserve projects to be completed in 2021. FRMD Board to set priorities for reserve projects and pre-approve expenditures. Include items prioritized for completion in 2021.

   2. Add/Subtract items that were completed in prior years or postponed from prior years for completion in 2021.

   3. Add/Subtract items from the Board discussion of the budget process and reserve study items, including deferred/accelerated project items.

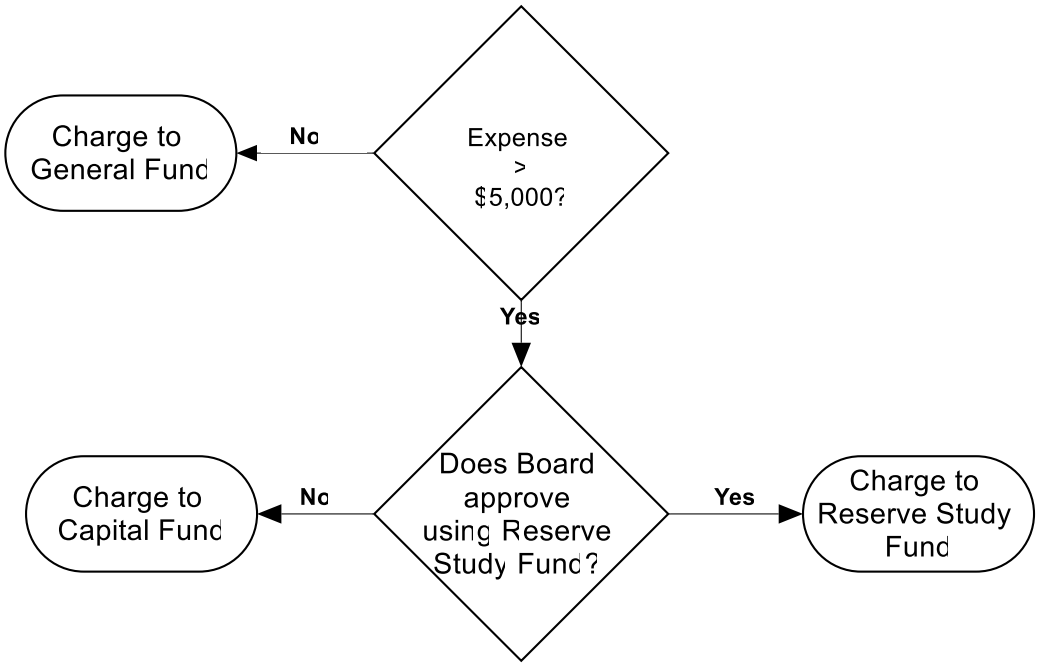
   4. Add/Subtract new items due to emergency considerations, new filings, and other anticipated new conditions.

   5. The same process applies to the capital projects fund for expenditures not covered by the reserve study and new projects that arise due to changing community conditions.

E. Reserve study expenditures should be reviewed and updated periodically (at least annually) as timing of projects change, community conditions change,

unforeseen emergency circumstances arise, or with the addition of fillings to the district footprint.

## Repairs, Maintenance, and Capital Expense Flow Chart



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

## Our Mission

The Boards of Fossil Ridge Metropolitan Districts ("the Boards"), on behalf of the residents, exist to guide the community's priorities, projects and activities in accordance with the founding documents, i.e., the Second Amended and Restated Service Plan.

As part of its responsibility, the Boards oversee the financial affairs of the District in a prudent, cost-effective, fair, timely, and transparent manner in compliance with statutory requirements and existing agreements.

## Our Vision

We envision a community that offers an inspiring lifestyle and quality of life while preserving property values. We will enhance the character of Solterra, the quality of life to its residents, the feeling of community and inform and represent its members.

The Boards will strive to make Solterra a model community in the Denver area by maintaining high standards and fairness through a community resident Boards committed to efficient, sustainable and cost-effective operations and maintenance.

The Boards will lead community efforts to:

- promote and protect the quality of life, safety, and well-being of its residents,
- enhance the character of the Solterra neighborhoods with responsive service and support in the management of district assets, and
- encourage community involvement and collaboration.

## Values

We value leadership, integrity, fairness, consistency, teamwork, common sense, community collaboration, respect, and innovation.

## Board of Directors

The Board of Directors is focused on efficiency and creation of a community in which it is enjoyable to live. The Board members are accountable for all affairs of the District, including the legal duty of care and the duty of loyalty.

Board members must meet the duty of care by:

- Exercising their responsibilities in good faith and with diligence, attention, care and skill;
- Carrying out the purpose and Mission of the district;
- Complying with Federal and State law; and
- Complying with the organization's governing documents (Second Amended and Restated Service Plan).

Board members must meet the duty of loyalty by:

- Placing the interest of the District before his or her private interest, and
- Avoid the use of District opportunities for personal gain.

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

## 2021 Business Plan

**Background**

The District was organized October 10, 2006, as a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to the Colorado Special District Act. All three districts are governed by the same Service Plan (as amended by the Second Amended and Restated Service Plan approved by the City of Lakewood on August 27, 2007), which provides that District No. 1 is the "Operating District" and District Nos. 2 and 3 are the "Taxing Districts". The Taxing Districts provide funding to the Operating District for the construction, operation and maintenance of various public improvements. The Operating District is expected to manage such construction, operations and maintenance. The District's primary revenues are property taxes for debt service payments and Homeowner Assessments for operations and maintenance. The District is governed by an elected Board of Directors (an individual Board for each of the three Districts).

As a governmental entity, the District has the power to impose property taxes, as well as other fees and charges as governed by a board of directors.

The Mission and Vision of the District is (note: there are additional Mission Statements for the various committees of the Board):

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## Budget(s)

Since there are three Districts, each District has its own set of budgets. For 2021 there are four budgets that FMRD #1 controls: the operational budget, the capital budget, the reserve study budget and a special revenue budget. The operational budget is for maintaining items within the Metro District that are not turned over to the City of Lakewood and all associated costs. These items are maintained in perpetuity by the Metro District. A major asset is the landscaping throughout the community, as well as the Retreat and pool. Having control over these assets helps keep the property at a higher value than areas that do not have similar districts, by keeping everything aesthetically pleasing.

The capital (fund) budget is for the design and construction of the major roadways, parks and open spaces, trails, major storm sewer, major sanitary sewer and major water lines. As the community is nearing the end of the "build-out phase" the major expenditures for 2021 will be the cost of the District Engineer, a one-time transfer to the Reserve Study Fund and various capital expenditures.

The reserve study (fund) budget is primarily made up of Capital Replacement items such as landscaping, storm drainage, etc., that do not normally occur on an annual basis.

The special revenue (fund) budget is for the maintenance fee areas (MFA). Revenues are the collection of fees and expenditures relate to cost incurred in the specific areas.

There used to be an FRMD #1 debt service budget but with the refunding of the 2010 Bonds in 2020, that fund is no longer needed.

FRMD #2 has an operational budget and a debt service budget. Since FRMD #2 is a taxing district, its purpose is to collect property taxes and Specific Ownership Taxes ("OT" ). However, tax revenue is transferred to either the FRMD #1 operational budget or to the FRMD #3 debt service budget.

FRMD #3 has an operational budget and a debt service budget. FRMD #3 is also a taxing district, so its purpose is to collect property taxes and SOT taxes. Some tax revenue is transferred to the FRMD #1 operational budget but most of the tax revenue is retained in the FRMD #3 debt service budget. The 2020 Bonds (General Obligation Limited Tax Bonds) were issued by FRMD #3.

The 2021 budgeting process started in mid-June. The 2021 budget work sessions were held in August and September (available to FRMD residents). The 2021 draft budget was made available to residents at the CRS office on October 15, 2020; and the FRMD Board is scheduled to approve the 2021 budget at its regularly scheduled meeting on December 7, 2020.

## 2021 Business Plan

The Business Plan for 2021 is in compliance with the founding documents, i.e., the Second Amended and Restated Service Plan, and is focused on continuing the well-being and fairness of all residents, making Solterra a leading 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 4 times a year at a Board meeting).
    b. Semiannual reporting to residents on the status of the Community.
    c. Board meetings for 2021 has 7 prescheduled meetings.
    d. Implement a bond post-issuance compliance roadmap for regulatory compliance reporting.

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

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 realize the following improvements prior to final acceptance:
    a. Liner for the water feature,
    b. Aeration for the large retention pond, and
    c. Repair erosion damage in the main channel.
    d. 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.

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.

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.
b. Spread 2021 final budget by quarters.
c. Quarterly, "actual to budget" reporting within 30 days of the end of the quarter.
d. Implement financial analytical tools, like "trailing twelve" analysis and budget to actual based on some form of "materiality".
e. Oversee 12/31/2020 independent audit.
f. Oversee the 2022 budget process.
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.
h. 3-year projection of revenue and expenses.
i. Continue to determine which Builder Advances are District eligible cost.
j. Develop policy to comply with "Post-Issuance Debt Compliance Procedures".
k. Evaluate how to move more of the analytical work to CRS.

B. Pool and Retreat Committee

Mission: The Retreat/Pool Committee is established for the purpose of working on strategies to provide resort-style facilities for residents of Solterra, providing sustainable solutions that meet the needs of today's residents while planning for future growth, working to maintain the success of the Retreat and pool, 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.
b. Work with CRS & Perfect Pools to make sure the facilities are being maintained as needed.
c. Retreat interior - replace/repair furniture as needed and within 2021 budget.
d. Replace pool/patio furniture as needed and within 2021 budget.
e. Make sure maintenance of the interior and exterior of the Retreat & Pool is being completed as needed, working with CRS.

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 a special 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:

- Easter – likely April 3rd, 2021 (Saturday before)
- Cinco de Mayo – May 5th
- Food Truck Gathering – Date TBD
- 4th of July
- Rocktoberfest – date TBD
- Holiday Party (Santa & Mrs. Claus) – December date TBD

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.

# Landscape Committee Quarterly Report – Dec 2020

**Submitted by:** Pete Hendel (Committee Chairperson)

**Active members**: Katie Jones, Leean McGraw, Linda Johnston, Pat Brewster, Daniel Dominic, Susan Murphy

**Overview of Committee Activities**

1) ***Events and meetings conducted:***
    a. *Due to the COID 19 concerns, meetings have been restricted since April 2020.*
    b. *A committee meeting was held Aug 27 on the Retreat patio to discuss the plans for the rest of the year and next year.*
    c. Schultz has completed the installation of all the deciduous trees to be replaced this fall, as well as all the warrantee trees and shrubs from 2018 & 2019..
    d. The dwarf fountain grasses planted by the developer have reseeded in the turf areas again. Schultz has removed the plants in the beds and removed some of the invasive plants from the turf areas. Continued monitoring of the turf areas will be required until all the invasive grasses are removed.
    e. A plan for the Landscape Committee was submitted to David Wilson for inclusion in the FRMD objectives.
    f. Discussions were held on the Landscaping budgets for 2021. Only filings 1-12 can be considered for a valid budget estimate.
    g. Not all Filing 13 Landscape issues have been rectified with Brookfield and Brightview. There are still issues with native seeding and some plantings to meet the Filing 13 documentation. It is hoped that the filing will be accepted in 2021.
    h. Monthly watering of the newly planted trees has been completed for November.
    i. The committee has reviewed all the rock beds along Indiana (top to bottom), Wesley, Iliff, the Retreat and several internal beds in the filings. Some of these beds have never been maintained/rejuvenated since the original installs from 2008 and 2012. It has been a very large project that has consumed many hours by the committee members to make recommendations for updates to the over 152 rock beds. The criteria that was used is to make the beds look good, without replacing all the plants originally specified. The initial estimates to bring these beds up to the community standards could be over $110,000.

2) ***Number of people engaged outside the Committee membership*:**
    Jennie Heinz with Overlook and Kris Howland with Schultz Industries.

3) **Community feedback and issues raised:**
    a. Residents expressed the need for a path from Washburn to Yale without steps. Strollers, bikes and trikes have created a trail along side the steps. Reseeding in May has been damaged by residents bypassing the stairs. A letter was sent to Kara Mueller regarding the ADA requirements for replacing the stairs with a compliant slope. So far, no response from the City of Lakewood
    b. Residents have continued to alter FRMD property tracts by excessive water runoff, mowing native grass, creating paths, dumping refuse, running construction equipment

through the tracts, digging holes and planting trees or vegetation within the tracts. The cost to remediate these issues will continue unless efforts are made to educate the residents.

***4) Issues or topics that warrant Board consideration:***

a. Recommend that board approve of Susan Murphy as a member of the Landscape Committee.

b. The committee's recommendations for the Filing 12 rock beds was forwarded to the city for approval on August 18. There has been no reply as of this date to from Kara Mueller.

c. Due to the rapid freeze before the trees hardened in 2019 for the winter, it is possible that many trees, shrubs and evergreens could be damaged and may have to be replaced over the next 3 years. We have seen that many trees survived the early freeze in 2019 only to be killed after leaf out by the late freeze in 2020.

d. Define which Filings and areas will fall under the Committees scope in 2021.

**Recommendations**

The committee will focus on the accepted filings within Solterra.

The committee and Kris Howland have agreed to segregate the landscape remediation efforts into seasonal efforts as described below:

**Spring:** Replace evergreens identified the the previous year. Repair beds identified the previous year for repair.

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

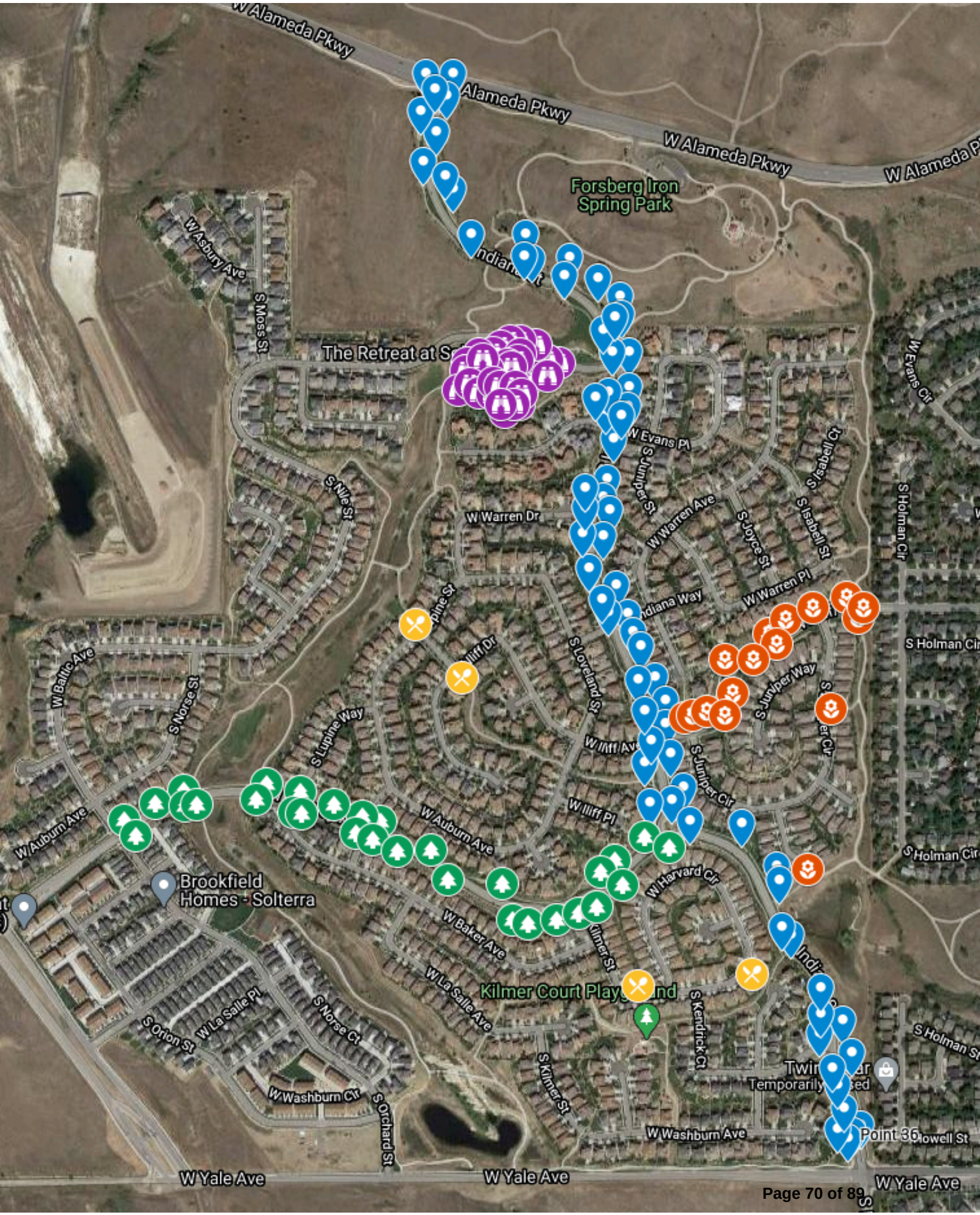
**Fall:** Replace or remediate deciduous trees identified in the summer. Identify evergreen trees for replacement in the spring of next year.

**Open Items**

None

**Plan Forward**

1) Monitor trees and shrubs for signs of extensive freeze damage.
2) Committee to meet in January to discuss the scope and activities for 2021.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The Retreat at S
W Evans Pl
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S Nile St
W Warren Dr
W Warren Ave
S Juniper St
S Joyce St
S Isabell St
S Holman Cir
W Warren Pl
W Baltic Ave
S Norse St
S Lupine Way
S Loveland St
S Juniper Way
W Illiff Ave
S Juniper Cir
W Illiff Pl
W Auburn Ave
Brookfield Homes - Solterra
W Harvard Cir
W Baker Ave
S Kilmer St
W La Salle Ave
Kilmer Court Playground
S Kendrick Ct
S Holman St
W La Salle Pl
S Orion St
S Norse Ct
W Washburn Cir
S Orchard St
W Washburn Ave
Point 36
Howell St
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FRMD 12/7/2020 Board Report Retreat

Rentals: Zero Rentals have been held at the Retreat due to COVID guidelines provided by the State, Jefferson county and City of Lakewood.

Fitness: Classes have been operating on the Retreat patio and will continue if the weather is nice. Class schedule may alter daily with the weather variables.

Pool: Pool was winterized at the conclusion of the pool season and the pump room has been organized by Perfect Pools to their discretion.

Expenses:

-Holiday lighting was installed on the exterior of the Retreat. =$3,243

-Advantage Upholstery will be upholstering the 10 dining room chairs for a total= $913.92

-Dining Chairs touch up=$500

-Dining Table touch up =$700

Purchased to be made:

-Table Top covers will be ordered estimated cost $1100

-Outdoor trash liners estimated cost $250

-Outdoor fireplace candles estimated cost $50

Retreat has approximately $5,500 in approved expenses that will be addressed with the Retreat committee on other 2020 needs. The Retreat office has an estimated cost of $1300 for items of need and will come out of the $5,500.

Maintenance: A routine quarterly HVAC maintenance was performed, and a motor/blower was identified as failing. Paradise Heating is working through questions provided by CRS to greater identify a solution.

Tasks Completed: Painting was finished, and all outlet covers etc. have been reinstalled. Artwork was removed for painting and the Retreat committee has provided new locations for the artwork. Artwork will be installed by the Handyman in the upcoming weeks.

Comcast has scheduled coaxial lines to be installed early December for phone and internet.

Bids are being obtained to seek alternatives to our current janitorial provider.

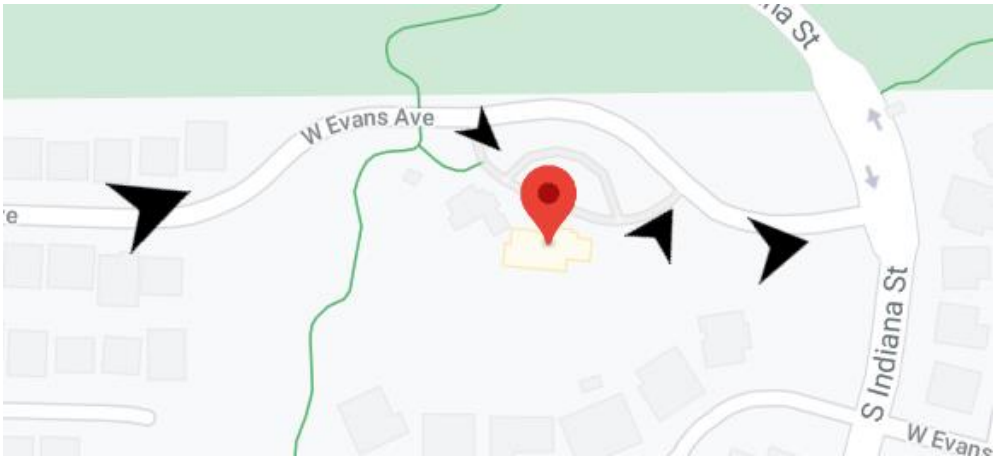
Social Committee X-mas event has been scheduled for 12/13/20.

Indoor fireplace switch is scheduled to be fixed 12/16/20.

# Santa and Mrs. Claus Visit the Retreat at Solterra!
# Sunday, December 13 (10am to noon)

**Mark your calendars, Santa and Mrs Claus will be visiting the Retreat on December 13th to greet our kids and collect Christmas wish lists. Due to the most recent Jefferson County restrictions, this will be a drive- up event only with Santa and Mrs. Claus positioned in the Retreat entry and exchanging holiday greetings with visitors through the car windows. Wish lists can be handed to one of Santa's helpers, and these helpers will also hand out candy canes and individually wrapped cake pops from a local pastry chef to all in the car. Health concerns prohibit walk ups and drivers are requested to limit your time with Santa and Mrs. Claus so that everyone has an opportunity to meet with them.**

**To promote the safest route to visit Santa, we ask that vehicles enter on W. Evans Ave. from the west. Proceed towards the front of the Retreat with the windows down on the passenger side of the vehicle and exit to the east side of the Retreat moving east along W. Evans Ave. onto Indiana St. This route will minimize congestion on W. Evans Ave. to those vehicles in line to see Santa. The image below outlines the route.**



# Request to Offer Barber & Beauty Salon Services in the Retreat Parking Lot

Hi Matt,

I have been contacted by a mobile barber and beauty salon called The Cut on Location that is interested in providing once a week services to the Solterra community starting in the January. Please see the link to their website - https://www.thecutonlocation.com/. Given the times and social distancing requirements, this would be a huge benefit to the residents to ensure their safety and provide a luxury convenience to the community. Cut on Location is providing these services to other high-end communities and organizations in the area including Sterling Ranch (3 days a week), Palomino Park (1 day a week) and Glenmoor Country Club (1 day a week).

They have offered to come once a week to the Retreat parking lot, preferably on Wednesdays but Fridays are an option as well. They would only need access to an external outlet through an extension cord. Solterra Living would do all of the marketing for them to the community and residents would sign up directly through the company so there would be very little impact on the Retreat staff and/or activities held at the facility. I believe this would be a great benefit to the community and hope the board thinks so too.

Please let me know if you need any additional information for the December 7th Board Meeting?

Thanks for your help
Karen Ryan
Solterra Living Magazine

Paradise Heating- Retreat Blower/Motor Replacement

Questions provided by CRS with the assistance of the board are in black. Paradise Heating answered in blue. In Red below is the cost differences.

Do you have potential insight to why this might not have been discovered before?

Not really since we are new to the building

OEM vs. universal motor, can you elaborate why the universal might not operate at the same capacity?

Carrier uses superior parts in their motors compared to universal motors. Metal and wiring better quality and usually thicker

Is this fix necessary? From looking at the specs the overall furnace output for all three, in the main building looks to be 300,000 BTUs. If that is true, is our furnace operations overkill?

Definitely overkill for the heating demands but during an event on a summer day, there could be dozens of people and the Cooling load would be enormous. Usually that is what the size of equipment is based on.

Also, is this a secondary or (potentially third) furnace that operates the building. And if a second or third has this not been running much?

I have not done a detailed analysis of the layout of the furnace units and which rooms and supply runs they are connected to. We can do that and evaluate the potential of eliminating on of the units and sharing the ductwork with the other two units. A consultation fee would be involved and load calculations would be run for the entire building and its individual rooms. Cost of about $350-$450

If it has not been running, do you have an idea of why it failed?

Motors seem to last about 10-12 years anymore (So much for what i said about Carrier motors being superior. Supposed to be)

Lastly, are you able to provide a life expectancy for the internal units for all furnaces? This would help immensely in our budgeting moving forward and could also prepare us for a potential repair or replacement timeline in the future.

Furnaces typically last 25 years. Some parts might have to be replaced during that time, such as motors and control board, but that is usually cheaper than a new furnace. These high efficiency furnaces are being replaced currently at about $4900

Ultimately, can you please give your recommendation for this repair?

I still like the OEM motors for bigger furnaces like this.

Let me know if we can be of further service

Paradise Heating and Cooling, Inc.
PO Box 17178
Golden CO 80402
720-301-3914

Proposal for Solterra, Furnace in Main Building

On our visit for furnace tune ups, we discovered that a blower motor on the #3 furnace in the crawlspace is not working correctly. It is a Carrier furnace so we checked with Carrier dealer and their motors are OEM and more expensive, Cost for the OEM motor is $590.24

We also checked with another supply house that has universal motors that will work but would not be as strong.

Cost for that motor is $284

There would be a small trip charge and labor of about 1-1.5 hours to replace the motor. ($150-$200 added to whichever motor is chosen.

Let us know how to proceed.

Thank you.

John Demereckis

Paradise Heating and Cooling

Cost evaluation:

To have the furnaces inspected and tested to potentially reduce furnace use from three furnaces to two will equal $350-$450

To have the furnace motor replaces with universal motor: estimated cost = $484

To have the furnace motor replaced with OEM parts as Paradise recommends: estimated cost = $790.24

**BILL OF SALE**
(Orchard Park)

**Solterra, LLC**, a Colorado limited liability company ("Seller"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration received, does hereby sell, assign, grant and convey to **Fossil Ridge Metropolitan District No. 1**, a political subdivision of the State of Colorado ("Purchaser") all right, title and interest Seller has in the equipment, improvements, furniture, fixtures, furnishings, appliances, other personal property and all assignable warranties related to the foregoing (collectively, the "Personal Property") located on the real property described on the attached **Exhibit A** and generally described as:

1. Single tennis court with playing wear surface and striping and installed net;
2. Fencing on perimeter of the single tennis court with metal benches at south entrance;
3. All interior five (5) foot wide concrete sidewalks;
4. All landscaping including:
    a. Turf (sod) areas and native grass areas;
    b. Included irrigation systems;
    c. Trees and shrubs along walkways and edges of the property, except for three (3) trees installed by Cardel Homes on the southeast side of the park near the single tennis court and which are subject to a one year warranty by Cardel Homes;
    d. Rock and cobble zones in a strip along the south side of the park;
5. Concrete pad on east side of park with metal gazebo and two picnic tables; and
6. Trash cans and dog waste stations;

all as more specifically depicted in the attached **Exhibit B**.

Seller hereby represents and warrants that it is the lawful owner of the full legal and beneficial title to the Personal Property; that the Personal Property is free from any and all liens and encumbrances; that Seller has the right to sell the Personal Property. Except for the express representations and warranties contained in this Bill of Sale, the Warranty Agreement between the Purchase and the Seller, and Seller's performance bond (which contains a two-year warranty) or Seller's separate warranty bond, Purchaser accepts the Personal Property on an "AS-IS" basis and without express or implied representation or warranty of any kind.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed effective as of the __ day of _____, 2020.

**SELLER:**
**Solterra, LLC**, a Limited Liability Company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**Exhibit A**
(Real Property Legal Description)
To Bill Of Sale

Tract S, Solterra Subdivision Filing No. 16, County of Jefferson, State of Colorado

**Exhibit B**
(Personal Property Description)

(Attached)

**WARRANTY AGREEMENT**
**(Orchard Park)**

This WARRANTY AGREEMENT ("**Agreement**"), effective the _____ day of _____, 2020 ("**Effective Date**"), is entered into by and between Solterra, LLC, a Colorado limited liability company ("**Developer**"), and Fossil Ridge Metropolitan District No. 1, a political subdivision of the State of Colorado ("**District**"). The Developer and the District are sometimes collectively referred to as the "**Parties**" or individually as a "**Party**."

RECITALS

WHEREAS, the Developer has caused those public improvements described in **Exhibit A**, all as more specifically depicted in **Exhibit B**, both of which are attached hereto and incorporated herein by this reference ("**Improvements**") located on the real property described as Tract S, Solterra Subdivision Filing No. 16, County of Jefferson, State of Colorado ("**Property**") to be constructed pursuant to those construction contracts entered into between the Developer and construction contractors and materialmen listed in **Exhibit C** attached hereto and incorporated herein by this reference (individually, a "**Construction Contract**" and, together, the "**Construction Contracts**");

WHEREAS, in accordance with the District's March 18, 2016 *Resolution Establishing Policies and Procedures for the Acceptance and Acquisition of Public Improvements* ("**Resolution**"), the District has determined that initial acceptance of the Improvements is appropriate and the Parties entered into that certain Bill of Sale, dated _____ ___, 2020, to convey the Improvements constructed pursuant to the Construction Contracts to the District; and

WHEREAS, as required by the Resolution, the Parties desire to enter into this Warrant Agreement, which sets for the Developer's warranty obligations for the Improvements.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the Parties agree as follows:

TERMS AND CONDITIONS

1. The Developer represents and warrants that the Construction Contracts listed in Exhibit C is a complete and accurate list of all contracts entered into between the Developer and construction contractors and materialmen in connection with the Improvements on the Property. The Developer's failure to list one or more contracts entered into between the Developer and construction contractors and materialmen in connection with the Improvements on the Property shall not relieve the Developer or such contractors and/or materialmen from their warranty obligations to the District.

2. For a period of two years following the Effective Date ("**Warranty Period**"), if any of the Improvements fail to meet the requirements set forth in the Construction Contract applicable to such Improvement ("**Defect**"), the Developer agrees to enforce any warranty applicable to the Defect set forth in the applicable Construction Contract after the Developer's receipt of written notice of such a Defect from the District. If during the Warranty Period there is

a Defect that is not covered by a warranty in the Construction Contracts, the Developer shall cause the Defect to be repaired after the Developer's receipt of written notice during the Warranty Period of such a Defect from the District. From and after the Effective Date, the District shall operate the Improvements in a manner to avoid damage to the Improvements. Until final acceptance by the District, Developer shall, at Developer's expense, make all needed repairs or replacements to the Improvements required on account of defects in materials or workmanship and shall be responsible for ordinary repairs and maintenance thereof. With respect to a Defect the Developer is required to correct, the Warranty Period shall be extended as to that portion of the Improvements to which the Defect relates by the number of days the Developer took to correct the Defect.

3. As required by the Resolution, the Developer has posted a performance bond (which contains a two-year warranty) or a separate warranty bond with the District in the amount of $87,500.00, a copy of which is attached as **Exhibit D**. The obligations under this Agreement shall terminate for each of the Improvements upon the expiration of the Warranty Period, as may be extended by the number of days the Developer took to correct a Defect as to that portion of the Improvements to which a Defect relates.

4. The Developer confirms that all claims for extension of contract time and/or increases in the contract amount have been resolved and that no other claims exist or will be submitted against the District. The Developer agrees to resolve, at its expense, any mechanic's liens recorded against the Property due to work performed pursuant to the Construction Contracts. The Developer shall indemnify and defend the District and its permitted assigns against all liabilities, losses and/or damages of any kind arising out of any claims, demands, costs, judgments, and/or other expenses due to default by the Developer under the Construction Contracts. The District has the right to select legal counsel to represent it, notwithstanding the Developer's obligation to pay the attorney's, costs and expenses incurred by such legal counsel. Any and all damage to the Improvements caused by Developer must be promptly reported to the District.

5. It is an "Event of Default" under this Agreement if a Party fails to perform its obligations in accordance with the terms and conditions of this Agreement and fails to cure such non-performance within ten (10) days of its receipt of written notice from the other Party of the alleged default, (provided that, if the nature of such default is such that the same cannot be cured within such ten (10) day period, there shall not be an Event of Default if such Party shall within such ten-day period commence such cure and thereafter diligently pursue the same to completion). Upon an Event of Default, the non-defaulting Party shall have the right to pursue any remedy available by law or in equity, provided that neither party shall be liable for punitive damages. .

6. This Agreement, inclusive of any of the rights, obligations, duties and/or authority hereunder, may not be assigned, in whole or in part, by the District or the Developer without the prior, written consent of the other Party, which consent may be withheld in that Party's sole discretion. Any assignment made in violation of this Section shall be immediately void and of no force or effect. Consent to one assignment shall not constitute consent to any subsequent assignment, nor shall it constitute a waiver of any right to consent to such subsequent assignment. For purposes of this Agreement, assignments shall include all delegations.

7. This Agreement may only be modified, amended or changed, in whole or in part, by way of a written agreement, executed by both parties with the same formalities as this Agreement.

Course of performance, no matter how long, shall not constitute a modification, amendment or change to this Agreement.

8. If any clause or provision of this Agreement is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Agreement as a whole, but shall be severed herefrom, leaving the remaining Agreement intact and enforceable.

9. Unfulfilled obligations of the District or the Developer arising under this Agreement shall be deemed to survive any expiration, termination by court order, or other end to this Agreement for a period of one (1) year following the date of any expiration, termination by court order, or other end to this Agreement. All such obligations shall be binding upon, and inure to the benefit of, the District or the Developer, or both as applicable, their respective successors and permitted assigns.

10. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. Jurisdiction and venue shall lie exclusively in the District Court for Jefferson County, Colorado.

11. Nothing in this Agreement is intended to be, and shall not be construed as, a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the District, or its directors, officers, agents or representatives, under federal or state law, including but not limited to the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S.

12. Nothing expressed or implied in this Agreement is intended confer upon, or give to, any third person or entity that is not a Party to this Agreement any right, remedy, or claim hereunder. All of the terms and conditions of this Agreement exist for the sole and exclusive benefit of the District and the Developer.

13. Any notice, correspondence or other communication required or permitted under this Agreement shall be hand delivered or sent by certified or registered mail, return receipt requested, to the following addresses:

| | |
|---|---|
| The District: | Fossil Ridge Metropolitan District No. 1<br>c/o Community Resource Services of Colorado, LLC<br>7995 E. Prentice Ave., Suite 103E<br>Greenwood Village, CO 80111<br>Attn: Tom Waterman |
| The Developer: | Solterra LLC<br>6465 S. Greenwood Plaza Blvd., Suite 700<br>Centennial, CO 80111<br>Attn: Shannon Robbins |

A notice, correspondence or other communication shall be deemed given upon hand delivery or three (3) business days after deposit with the United States Postal Service. Either Party may change the

address to which future notices shall be sent by providing written notice to the other Party in accordance with this Section.

14. In any dispute arising from or relating to this Agreement, or the Developer's warranty obligations under this Agreement, the prevailing Party in any civil action shall be awarded its reasonable attorneys' fees, costs and expenses, including the attorneys' fees, costs and expenses incurred in collecting or executing upon any judgment, order or award.

15. The District and the Developer each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their respective obligations hereunder.

16. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein. No waiver of any Event of Default hereunder shall be deemed to constitute a waiver of any subsequent Event of Default hereunder.

17. This Agreement shall inure to, and be binding upon, the District and/or the Developer and their respective successors and permitted assigns.

18. This Agreement may be executed in several counterparts and by facsimile or electronic PDF, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

*[Signature Pages Follow]*

Entered into and executed as of the Effective Date.

DEVELOPER:

SOLTERRA LLC, a Colorado limited liability company

Name: _____
By: _____
Its: _____

Name: _____
By: _____
Its: _____

DISTRICT:

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1, a political subdivision of the State of Colorado

_____

Tom Waterman, Board President

ATTEST:

_____

Dave McGraw, Board Secretary

**EXHIBIT A**

General Description of Improvements

To Warranty Agreement

1. Single tennis court with playing wear surface, striping and installed net;
2. Fencing on perimeter of the single tennis court with metal benches at the south entrance;
3. All interior five (5) foot wide concrete sidewalks;
4. All landscaping including:
    a. Turf (sod) areas and native grass areas;
    b. Included irrigation systems;
    c. Trees and shrubs along walkways and edges of the property, except for three (3) trees installed by Cardel Homes on the southeast side of the park near the single tennis court and which are subject to a one year warranty by Cardel Homes;
    d. Rock and cobble zones in a strip along the south side of the park;
5. Concrete pad on east side of park with metal gazebo and two picnic tables; and
6. Trash cans and dog waste stations.

**EXHIBIT B**
Detailed Description of Improvements

To Warranty Agreement

All exhibit documents available by using the following link:

https://fostergraham-my.sharepoint.com/:f:/p/kbusch/Ekvih6_KaO5BiK31DFXGiJoBw3AazDXQ89YF-YpqzaI-8A?e=D5kKmz

**EXHIBIT C**
Construction Contracts

To Warranty Agreement

All exhibit documents available by using the following link:

https://fostergraham-my.sharepoint.com/:f:/p/kbusch/Ekvih6_KaO5BiK31DFXGiJoBw3AazDXQ89YF-YpqzaI-8A?e=D5kKmz

**EXHIBIT D**

Performance Bond (Which Contains a Two-Year Warranty) or Separate Warranty Bond

To Warranty Agreement

ATTACH COMPLETE BOND

FRMD Board University

Purpose:

- Educate/Promote Board Member Responsibility to interested residents
- Encourage residents to run for the board.

Schedule (5 meetings)

- Introduction/ Purpose (we would do some recruiting to gather residents)
- Board Structure and Responsibility
- Budget/Finance
- Committees and their responsibilities
- Communication Strategies

Each session would have time on the agenda for community feedback, questions and answers.