

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2016)

The Board of Directors of Fossil Ridge Metropolitan District No. 1 (the "Board"), County of Jefferson Colorado (the "District") held a regular meeting at 6465 S. Greenwood Plaza Blvd., Suite 700, Centennial, Colorado, on Wednesday, December 9, 2015, at the hour of 10:30 A.M.

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

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NOTICE AS TO PROPOSED 2016 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2016 BUDGETS
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2015 BUDGETS**

NOTICE IS HEREBY GIVEN that proposed 2016 budgets have been submitted to the Boards of Directors (the “Boards”) of the FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3 (collectively the “Districts”). A copy of each of the proposed budgets is on file in the office of Simmons & Wheeler, P.C., 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2015 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Simmons & Wheeler, P.C., 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held at 6465 S. Greenwood Plaza Blvd., Ste. 700, Centennial, Colorado, on Wednesday, December 9, 2015 at 10:30 A.M. Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the Districts.

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

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published in: *Lakewood Hub*
Published on: December 3, 2015

The Denver Post, LLC

PUBLISHER'S AFFIDAVIT

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

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

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

December 3, 2015

Jean Birch
Signature

Subscribed and sworn to before me this 3
day of December, 2015.

Cheryl L. Schmid
Notary Public

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

(SEAL)

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2016 BUDGETS AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2015 BUDGETS

NOTICE IS HEREBY GIVEN that proposed 2016 budgets have been submitted to the Boards of Directors (the "Boards") of the **FOS-SIL RIDGE METROPOLITAN DISTRICT NOS. 1-3** (collectively the "Districts"). A copy of each of the proposed budgets is on file in the office of Simmons & Wheeler, P.C., 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2015 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Simmons & Wheeler, P.C., 8005 Chester Street, Suite 150, Centennial, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a **joint meeting of the Districts to be held at 6465 S. Greenwood Plaza Blvd., Ste. 700, Centennial, Colorado, on Wednesday, December 9, 2015 at 10:30 A.M.** Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the Districts.

BY ORDER OF THE BOARDS OF DIRECTORS:
FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3
/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published in: *Lakewood Your Hub*
Published on: December 3, 2015

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2016 AND ENDING ON THE LAST DAY OF DECEMBER 2016.

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

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 9, 2015, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; and

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

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

Section 1. Summary of 2016 Revenues and 2016 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2016, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2016.

In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2016 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2016 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2016 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2016 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Simpson.

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ADOPTED THIS 9th DAY OF DECEMBER 2015.

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1



Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

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

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on December 9, 2015, at 6465 S. Greenwood Plaza Blvd., Suite 700, Centennial, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of December 2015.

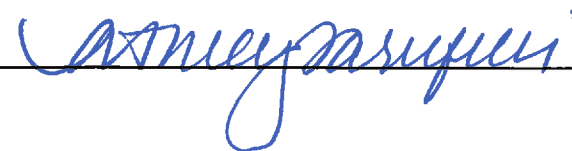


EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
2016
BUDGET MESSAGE

Attached please find a copy of the adopted 2016 budget for Fossil Ridge Metropolitan District No. 1.

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

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

The primary sources of revenue for the District in 2016 will be developer advances, homeowner assessments, development fees, storm drainage and sewer fees, transfers of the proposed bond proceeds from Fossil Ridge Metropolitan District No. 3 and transfers of property taxes from Fossil Ridge Metropolitan Districts No. 2 and No. 3. The District does not intend to impose a mill levy on property within the District for 2016.

Fossil Ridge Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2016

	Actual 2014	Adopted Budget 2015	Actual 6/30/2015	Estimate 2015	Adopted Budget 2016
Beginning fund balance	\$ 61,924	\$ -	\$ 136,436	\$ 136,436	\$ -
Revenues:					
Homeowner fees (900 homes @ 189/qtr)	533,217	623,700	250,803	623,700	680,400
Sewer service fees (\$52.38/qtr)	108,345	192,060	63,279	192,060	188,568
Sewer operations fees (\$17.09/qtr)	39,786	57,356	24,681	57,356	61,511
Sewer admin fee (\$24/year)	14,964	19,800	8,826	19,800	21,600
Landscape fee Filing No. 14 (\$15/mo)	-	-	-	-	18,000
Maintenance fee Filing 1 Block 1 Lots 1-6 (\$25/mo)	-	-	-	-	1,800
Maintenance fee Filing 2 Block 1 Lots 51-57 (\$25/mo)	-	-	-	-	1,800
Amenity user fees	96,592	55,000	34,988	55,000	55,000
Developer advances	150	-	-	-	-
Transfer from District No. 2	-	83,154	79,293	83,154	109,412
Transfer from District No. 3	-	85,191	80,312	85,191	143,335
Transfer from capital projects	-	200,000	3,549	64,000	100,000
Miscellaneous income/CTF	7,579	739	-	-	274
Total revenues	<u>800,633</u>	<u>1,317,000</u>	<u>545,731</u>	<u>1,180,261</u>	<u>1,381,700</u>
Total funds available	<u>862,557</u>	<u>1,317,000</u>	<u>682,167</u>	<u>1,316,697</u>	<u>1,381,700</u>
Expenditures:					
<u>Property management:</u>					
Accounting	3,886	20,000	2,336	20,000	20,000
Audit (No.1, 2 & 3)	7,500	10,000	-	10,000	10,000
Legal	11,405	50,000	5,706	50,000	50,000
Insurance (No.1, 2 & 3)	28,820	40,000	31,414	40,000	48,000
Office administrative	-	9,000	-	9,000	9,000
Property management	37,318	34,119	18,398	34,119	39,600
Website	-	1,500	-	1,500	8,000
<u>Grounds:</u>					
Snow removal	16,328	40,000	7,624	40,000	40,000
Pest control	-	4,000	525	4,000	4,000
Landscape contract	75,276	95,000	44,264	95,000	110,000
Reseeding	-	-	-	-	10,000
Winter watering	-	6,000	-	6,000	6,000
Irrigation repair	25,009	40,000	11,438	40,000	40,000
Tree & shrub maint/repl	46,082	65,000	11,035	65,000	70,000
Common area flowers/maint	5,000	8,000	5,000	8,000	8,000
Backflow testing	1,360	1,000	-	1,000	1,000
General contract maintenance	328	1,300	300	1,300	1,300
Light maintenance/replacement	1,991	8,000	4,224	8,000	8,000
Tree & shrub spraying	3,768	17,000	-	17,000	17,000
Playground Maintenance	110	-	2,154	-	15,000
Fence repair	-	3,000	-	3,000	3,000
Artwork	-	3,000	-	3,000	3,000
Signs	-	1,000	792	1,000	1,000
<u>Retreat:</u>					
Retreat concrete & fountain repair	-	50,000	5,592	50,000	50,000
Trash removal	4,736	5,300	2,511	5,300	5,300
Telephone/gate system	5,028	4,700	2,533	4,700	5,200
Security patrol	2,872	8,160	4,298	8,160	9,160
Gate system	240	3,000	2,115	3,000	3,000
Clubhouse plant maintenance	3,000	3,000	1,750	3,000	3,000
Facilities management	93,609	110,000	46,301	110,000	120,000
Pool maintenance	2,553	11,000	1,320	11,000	11,000
Pool supplies/chemicals	8,280	12,000	563	12,000	12,000
Clubhouse supplies	1,493	3,700	73	3,700	3,700
Pool furniture	4,239	8,670	9,510	8,670	8,670
Retreat maintenance	3,598	29,151	6,954	29,151	29,151
Access cards	-	1,200	-	1,200	1,200
Janitorial	8,866	10,000	3,132	10,000	10,000
Seasonal decorations	1,610	7,000	-	7,000	10,000
Neighborhood events	12,977	7,000	1,501	7,000	10,000
Amenity users' expenses	18,968	18,000	8,136	18,000	18,000
<u>Sewer operations:</u>					
Sewer service fees - homeowner	109,509	192,060	63,809	192,060	188,568
Sewer operations fees - homeowner	40,404	57,356	24,966	57,356	61,511
Property management - sewer admin	14,490	19,800	9,286	19,800	21,600
Sewer Maintenance/Cleaning	10,250	40,000	637	40,000	40,000
<u>Utilities:</u>					
Water	84,346	120,000	10,351	120,000	110,000
Sewer service fees - rec center	1,595	2,200	1,835	2,200	6,000
Gas/electricity	29,277	36,000	8,852	36,000	39,719
Reserve - landscape fee	-	-	-	-	18,000
Reserve - maintenance fee	-	-	-	-	3,600
Contingency	-	64,298	-	100,481	22,461
Emergency reserve (3%)	-	36,486	-	-	38,960
Total expenditures	<u>726,121</u>	<u>1,317,000</u>	<u>361,235</u>	<u>1,316,697</u>	<u>1,381,700</u>
Ending fund balance	<u>\$ 136,436</u>	<u>\$ -</u>	<u>\$ 320,932</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,951</u>
Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2016

	Actual <u>2014</u>	Adopted Budget <u>2015</u>	Actual <u>6/30/2015</u>	Estimate <u>2015</u>	Adopted Budget <u>2016</u>
Beginning fund balance	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	5,432,280	5,698,225	4,661,845	5,540,568	5,690,425
Development fees (75 homes@\$4,200))	708,800	1,155,000	210,000	1,155,000	315,000
Storm drainage fees (75 homes@\$1,000)	169,000	275,000	50,000	275,000	75,000
Sewer fees (75 homes@\$261)	44,631	71,775	13,572	71,775	19,575
Interest income	16	-	1,657	1,657	-
Transfer from District #3	8,853,965	-	-	-	12,726,065
Transfer from District #2	-	-	-	-	-
Total revenues	<u>15,208,692</u>	<u>7,200,000</u>	<u>4,937,074</u>	<u>7,044,000</u>	<u>18,826,065</u>
Total funds available	<u>15,228,692</u>	<u>7,200,000</u>	<u>4,957,074</u>	<u>7,064,000</u>	<u>18,826,065</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Accounting	15,544	16,000	9,344	16,000	16,000
Legal	47,395	40,000	29,414	40,000	40,000
Miscellaneous	-	4,000	2,177	4,000	4,000
Drainage improvements (per Jennie)	-	-	-	-	120,000
Lower pool access	-	-	-	-	75,000
Capital expenditures	6,291,788	6,940,000	4,062,901	6,940,000	5,745,000
Repay developer principal/interest	8,853,965	-	-	-	12,726,065
Transfer to General - devel fees	-	200,000	-	64,000	100,000
Transfer to Debt Service - reserve	-	-	-	-	-
Total expenditures	<u>15,208,692</u>	<u>7,200,000</u>	<u>4,103,836</u>	<u>7,064,000</u>	<u>18,826,065</u>
Ending fund balance	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 853,238</u>	<u>\$ -</u>	<u>\$ -</u>

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2016

	Actual 2014	Adopted Budget 2015	Actual 6/30/2015	Estimate 2015	Adopted Budget 2016
Beginning fund balance	\$ 1,109,840	\$ 1,383,000	\$ 1,400,540	\$ 1,400,540	\$ 1,471,085
Revenues:					
Bond proceeds	-	-	-	-	-
Transfer from District #2	435,218	357,613	346,538	357,613	405,194
Transfer from District #3	495,888	367,852	351,112	367,852	532,584
Transfer from Capital Fund - devel fees	-	-	-	-	-
Transfer from Capital Fund - reserve	-	-	-	-	-
Reimbursements	-	-	-	-	-
Interest income	157	535	80	80	137
Total revenues	931,263	726,000	697,730	725,545	937,915
Total funds available	2,041,103	2,109,000	2,098,270	2,126,085	2,409,000
Expenditures:					
Bond interest - 2010 bonds	603,563	601,025	300,513	601,025	597,762
Bond principal - 2010 bonds	35,000	45,000	-	45,000	55,000
Miscellaneous expense	-	-	-	-	2,238
Trustee / paying agent fees	2,000	8,975	-	8,975	5,000
Total expenditures	640,563	655,000	300,513	655,000	660,000
Ending fund balance	\$ 1,400,540	\$ 1,454,000	\$ 1,797,757	\$ 1,471,085	\$ 1,749,000
Assessed valuation	\$ -	\$ -	\$ -	\$ -	\$ 2,951
Mill Levy	0.000	0.000	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000	0.000	0.000