

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2017)

The Board of Directors of Fossil Ridge Metropolitan District No. 1 (the “Board”), County of Jefferson, Colorado (the “District”) held a regular meeting at 15250 W. Evans Ave., Lakewood, Colorado, on Wednesday, December 7, 2016, at the hour of 6:00 P.M.

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

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NOTICE AS TO PROPOSED 2017 BUDGET

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):

November 24, 2016

Jean Birch
Signature

Subscribed and sworn to before me this 25
day of November, 2016.

Teresa Zellner
Notary Public

(SEAL) TERESA NICOLE ZELLNER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164005435
MY COMMISSION EXPIRES FEBRUARY 10, 2020

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2017 BUDGETS AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2016 BUDGETS

NOTICE IS HEREBY GIVEN that proposed 2017 budgets have been submitted to the Boards of Directors (the "Boards") of the FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts"). Copies of each of the proposed budgets are on file in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Ste. 400, Englewood, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2016 budgets have been submitted to the Districts. Copies of each of the proposed amended budgets are on file in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Ste. 400, Englewood, 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 The Retreat at Solterra at 15250 W. Evans Ave., Lakewood, Colorado, on Wednesday, December 7, 2016 at 6:00 P.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: Thursday, November 24, 2016

Thereupon, Director Tarufelli 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 2017 AND ENDING ON THE LAST DAY OF DECEMBER 2017.

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 7, 2016, 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 2017 Revenues and 2017 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2017, 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 2017. 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 2017 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 2017 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 2017 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 2017 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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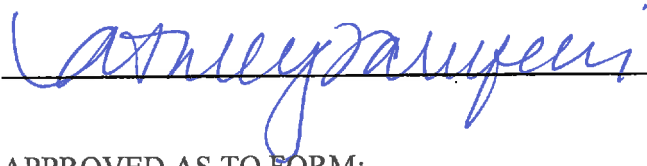
ADOPTED THIS 7th DAY OF DECEMBER 2016.

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1



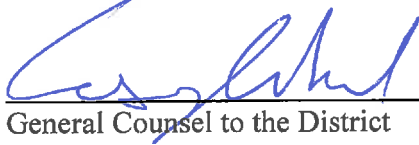
Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF JEFFERSON
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 7th, 2016, at 15260 W. Evans, Lakewood, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7th day of December 2016.

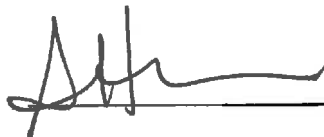


EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1
2017
BUDGET MESSAGE

Attached please find a copy of the adopted 2017 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 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 2017 will be developer advances, homeowner assessments, development fees, storm drainage and sewer fees, sewer service fees and transfers of property taxes from Fossil Ridge Metropolitan Districts No. 2 and No. 3. The District does not intend to impose a mill levy on property within the District for 2017.

Fossil Ridge Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2017

	Actual 2015	Adopted Budget 2016	Actual 9/30/2016	Estimate 2016	Adopted Budget 2017
Beginning fund balance	\$ 136,436	\$ -	\$ 248,227	\$ 248,227	\$ 290,644
Revenues:					
Homeowner fees (1,000 homes @ 215/qtr)	524,984	680,400	463,992	680,400	860,000
Sewer service fees (\$52.38/qtr)	132,106	188,568	116,809	188,568	210,000
Sewer operations fees (16.88/33.75 for 1.5" pipe (11))	51,884	61,511	49,982	75,000	69,000
Sewer admin fee (\$24/year)	18,564	21,600	16,530	21,600	24,000
Landscape fee Filing No. 14 (\$15/mo)	-	18,000	5,557	18,000	-
Maintenance fee 1 (\$25/mo)	-	3,600	2,250	3,600	3,300
Maintenance fee 2 (\$20/mo)					6,720
Maintenance fee 3 (\$25/mo)					10,500
Amenity user fees	78,522	55,000	45,928	55,000	65,000
Developer advances	571	-	-	-	-
Transfer from District No. 2	83,351	109,412	107,404	109,412	112,150
Transfer from District No. 3	85,468	143,335	140,120	143,335	152,122
Transfer from capital projects	-	100,000	-	100,000	250,000
Miscellaneous income/CTF	7,490	274	7,841	12,000	500
Total revenues	982,940	1,381,700	956,413	1,406,915	1,763,292
Total funds available	1,119,376	1,381,700	1,204,640	1,655,142	2,053,936
Expenditures:					
<u>Property management:</u>					
Accounting	4,645	20,000	4,166	10,000	10,000
Audit (No.1, 2 & 3)	7,500	10,000	7,500	7,500	10,000
Legal	10,679	50,000	13,566	20,000	20,000
Miscellaneous	3,375	-	2,918	3,000	-
Insurance (No.1, 2 & 3)	29,735	48,000	38,494	38,494	65,000
Office administrative	7,896	9,000	7,703	9,000	12,000
Property management	35,253	39,600	28,606	39,600	48,000
Website	3,586	8,000	2,400	4,000	5,000
<u>Grounds:</u>					
Snow removal	16,167	40,000	33,505	40,000	80,000
Maintenance - fee area 1 (includes gate system)	-	-	-	-	6,300
Maintenance - fee area 2	-	-	-	-	6,720
Maintenance - fee area 3	-	-	-	-	10,500
Pest control	1,275	4,000	1,300	2,500	4,000
Landscape contract	83,799	110,000	113,443	120,000	277,000
Reseeding	-	10,000	-	-	10,000
Winter watering	-	6,000	-	6,000	6,000
Irrigation repair	24,646	40,000	22,899	40,000	40,000
Irrigation pump replacement			63,005	63,005	-
Tree & shrub maint/repl	73,117	70,000	69,040	70,000	100,000
Common area flowers/maint	5,000	8,000	5,000	8,000	7,000
Backflow testing	-	1,000	-	1,000	1,000
Tributary pump and water maintenance					40,000
General contract maintenance	2,010	1,300	480	1,300	1,300
Light maintenance/replacement	5,730	8,000	16,089	20,000	9,000
Tree & shrub spraying	-	17,000	-	17,000	17,000
Playground Maintenance	2,304	15,000	390	5,000	5,000
Fence repair	-	3,000	-	3,000	20,000
Mailbox repairs/replacement			136	200	1,000
Artwork	-	3,000	-	3,000	3,000
Signs	1,318	1,000	18,754	22,000	10,000

Expenditures - continued

Retreat:

Retreat concrete	7,402	50,000	4,395	30,000	25,000
Trash removal	5,094	5,300	4,924	5,300	9,000
Telephone/gate system	5,132	5,200	4,048	4,700	5,600
Security patrol	7,216	9,160	2,341	8,160	9,160
Gate system	2,368	3,000	2,701	9,000	-
Clubhouse plant maintenance	3,250	3,000	2,250	3,000	3,000
Facilities management	106,275	120,000	93,357	120,000	145,000
Pool maintenance	6,803	11,000	12,601	15,000	110,000
Pool supplies/chemicals	8,609	12,000	9,636	12,000	12,000
Park/bathroom maintenance			250	250	
Clubhouse supplies	2,527	3,700	622	3,700	3,700
Pool furniture	9,510	8,670	4,494	8,670	5,000
Retreat maintenance	12,195	29,151	11,386	29,151	36,000
Access cards	-	1,200	-	1,200	3,600
Janitorial	8,245	10,000	8,042	10,000	14,000
Seasonal decorations	4,070	10,000	-	10,000	10,000
Neighborhood events	7,816	10,000	2,673	10,000	10,000
Amenity users' expenses	21,924	18,000	8,660	18,000	18,000

Sewer operations:

Sewer service fees - homeowner	133,218	188,568	95,088	188,568	210,000
Sewer operations fees - homeowner	52,471	61,511	73,103	75,000	69,000
Property management - sewer admin	19,012	21,600	16,530	21,600	24,000
Sewer Maintenance/Cleaning	637	40,000	-	40,000	40,000

Utilities:

Water	97,891	110,000	118,280	130,000	160,000
Sewer service fees - rec center	4,736	6,000	4,325	6,000	12,000
Gas/electricity	26,713	39,719	17,815	30,000	42,000
Reserve - landscape fee	-	18,000	-	18,000	-
Reserve - maintenance fee	-	3,600	-	3,600	-
Reserve based on reserve study	-	-	-	-	191,000
Contingency	-	22,461	-	-	8,030
Emergency reserve (3%)	-	38,960	-	-	54,026

Total expenditures	871,149	1,381,700	946,915	1,364,498	2,053,936
Ending fund balance	\$ 248,227	\$ -	\$ 257,725	\$ 290,644	\$ -
Assessed valuation	\$ -	\$ 2,951			\$ 1,999
Mill Levy	0.000	0.000			0.000

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2017

	Actual <u>2015</u>	Adopted Budget <u>2016</u>	Actual <u>9/30/2016</u>	Estimate <u>2016</u>	Adopted Budget <u>2017</u>
Beginning fund balance	\$ 20,000	\$ -	\$ 86,198	\$ 86,198	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	6,589,586	5,690,425	2,722,704	5,088,402	9,201,900
Development fees (100 homes@\$4,200))	572,250	315,000	452,550	500,000	420,000
Storm drainage fees (100 homes@\$1,000)	136,250	75,000	107,750	125,000	100,000
Sewer fees (100 homes@\$261)	37,062	19,575	30,015	35,000	26,100
Reimbursements	-	-	-	-	-
Interest income	3,481	-	1,283	1,400	1,000
CTF Income	-	-	787	1,000	1,000
Transfer from District #3	-	12,726,065	-	11,917,869	-
Transfer from District #2	-	-	-	-	-
Total revenues	<u>7,338,629</u>	<u>18,826,065</u>	<u>3,315,089</u>	<u>17,668,671</u>	<u>9,750,000</u>
Total funds available	<u>7,358,629</u>	<u>18,826,065</u>	<u>3,401,287</u>	<u>17,754,869</u>	<u>9,750,000</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Accounting	18,581	16,000	16,664	40,000	40,000
Legal	45,103	40,000	54,388	80,000	80,000
Miscellaneous	7,352	4,000	10,842	12,000	4,000
Drainage improvements (per Jennie)	-	120,000	-	-	120,000
Lower pool access	-	75,000	-	-	75,000
Capital expenditures	7,201,395	5,745,000	3,319,393	5,605,000	9,181,000
Repay developer principal/interest	-	12,726,065	-	11,917,869	-
Transfer to General - devel fees	-	100,000	-	100,000	250,000
Transfer to Debt Service - reserve	-	-	-	-	-
Total expenditures	<u>7,272,431</u>	<u>18,826,065</u>	<u>3,401,287</u>	<u>17,754,869</u>	<u>9,750,000</u>
Ending fund balance	<u>\$ 86,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fossil Ridge Metropolitan District No. 1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2017

	Actual <u>2015</u>	Adopted Budget <u>2016</u>	Actual <u>9/30/2016</u>	Estimate <u>2016</u>	Adopted Budget <u>2017</u>
Beginning fund balance	\$ 1,400,540	\$ 1,471,085	\$ 1,490,798	\$ 1,490,798	\$ 1,770,922
Revenues:					
Transfer from District #2	364,270	405,194	399,544	405,608	256,922
Transfer from District #3	373,815	532,584	521,247	533,078	349,621
Interest income	198	137	173	200	150
Total revenues	<u>738,283</u>	<u>937,915</u>	<u>920,964</u>	<u>938,886</u>	<u>606,693</u>
Total funds available	<u>2,138,823</u>	<u>2,409,000</u>	<u>2,411,762</u>	<u>2,429,684</u>	<u>2,377,615</u>
Expenditures:					
Bond interest - 2010 bonds	601,025	597,762	298,881	597,762	593,775
Bond principal - 2010 bonds	45,000	55,000	-	55,000	65,000
Miscellaneous expense	-	2,238	-	1,000	2,000
Trustee / paying agent fees	2,000	5,000	2,500	5,000	5,000
Total expenditures	<u>648,025</u>	<u>660,000</u>	<u>301,381</u>	<u>658,762</u>	<u>665,775</u>
Ending fund balance	<u>\$ 1,490,798</u>	<u>\$ 1,749,000</u>	<u>\$ 2,110,381</u>	<u>\$ 1,770,922</u>	<u>\$ 1,711,840</u>
Assessed valuation	<u>\$ -</u>	<u>\$ 2,951</u>			<u>\$ 1,999</u>
Mill Levy	<u>0.000</u>	<u>0.000</u>			<u>0.000</u>
Total Mill Levy	<u>0.000</u>	<u>0.000</u>			<u>0.000</u>