

Fossil Ridge Metropolitan Districts 1, 2 & 3 (“District” or “Solterra”) 2026 Business/Community Plan

Our Mission

The Boards of Fossil Ridge Metropolitan Districts (“the Boards”), on behalf of and with the input 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 (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 inspired 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 homeowners.

The Boards will strive to make Solterra a highly desirable community in the Denver area by maintaining high standards and fairness through Community Resident Boards who are 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 neighborhood with responsive service and support in the management of district assets, and
- encourage community involvement and collaboration.

Fossil Ridge Metropolitan Districts 1, 2, and 3 (collectively referred to as the “District” or “Solterra”) were established on October 10, 2006, as quasi-municipal corporations and political subdivisions under the Colorado Special District Act. All three Districts are governed by a unified Service Plan, as amended and approved by the City of Lakewood on August 27, 2007. Under this plan, District No. 1 serves as the “Operating District,” while Districts Nos. 2 and 3 are designated as “Taxing Districts.” The Taxing Districts are responsible for providing the necessary funding to the Operating District for the construction, operation, and maintenance of various public improvements, with District No. 1 managing these activities.

The primary sources of revenue for the Districts include property taxes dedicated to debt service payments and homeowner assessments for operational and maintenance needs. Governance is provided by an elected Board of Directors made up of resident homeowners, with each District represented by its own Board.

As governmental entities, the Districts have the authority to levy property taxes, as well as other fees and charges, as determined by the respective Boards of Directors.

2026 Plan Overview

The 2026 Business/Community Plan is grounded in the founding documents, specifically the Second Amended and Restated Service Plan. The plan aims to uphold the well-being and fairness of all

residents, ensuring that Solterra remains a highly sought-after community in the Denver area, while maintaining prudent fiscal management.

In late 2024 and early 2025, the Districts successfully resolved three major lawsuits. As part of the final settlement and release with Brookfield, District 3 issued \$26,265,000 in new General Obligation Bonds in 2025. Brookfield is currently in the process of completing the remaining development phases in filings 18, 20, and 21.

2026 Goals

Governance: Board-Specific Activities

- Provide semiannual reports to residents on the status of the community.
- Hold seven prescheduled Board meetings in 2026.
- Conduct monthly meetings with the presidents of the three Districts and CRS.
- Continue efforts toward consolidating the three Boards into one unified Board.
- District Presidents, along with CRS, will oversee the Pool and Retreat, with quarterly meetings to review progress on goals and objectives.
- Coordinate with the Landscaping Committee and CRS regarding recommendations, including those about pesticide use discussed at the October 13, 2025 Board Meeting.
- Implement community outreach programs to encourage resident participation and gather feedback.
- Respond to resident comments and questions raised at Board meetings.
- Oversee the activities of all FRMD Committees.

Acceptance Procedures for New Filings

The global settlement with Brookfield affects the acceptance of new filings. Filings 17 through 21 remain to be completed or accepted, and the District will address these in accordance with the settlement terms.

Consolidation Efforts

On July 21, 2025, the Boards of Fossil Ridge Metropolitan Districts Nos. 1-3 convened and approved a joint Resolution Authorizing Commencement of Merger Process and the establishment of a Merger Committee. A committee has been appointed to work with legal counsel, and the merger process is set to continue through 2026, with the goal of completion in late 2026 or 2027.

Committees

Each committee follows their own unique mission statement.

Finance Committee

The Finance Committee is responsible for reviewing financial matters such as budgets, audits, and financing, and making recommendations to the Boards. For 2026, the committee will:

- Draft and oversee the 2026 Annual Business Plan.
- Distribute the final approved 2026 budget by quarters and monitor progress quarterly.
- Review quarterly financial statements and budget variances, reporting results to the Board.

- Monitor Improvement Fund expenditures and balances.
- Oversee the 2025 independent audit.
- Plan and supervise the development of the 2027 budget.
- Ensure timely bond payments and reporting for 2020 and 2025 bonds, with support from Ehlers and CRS.
- Forecast capital and repair needs for the next 3-5 years using the updated Reserve Study.
- Initiate a 3-5-year strategic projection of revenue and expenses for all three Districts.
- Monitor and analyze Special Revenue Fund balances related to Private Access Area (PAA) and Town House Access (THA), and set reserve level boundaries for these funds, adjusting fees as necessary to maintain reasonable reserve levels.

Pool and Retreat Committee

The Pool and Retreat Committee focuses on strategies to maintain facilities for Solterra residents, ensuring facilities are sustainable, meet current and future needs, and are accessible to all community members. The committee's priorities for 2026 are:

- Coordinate with CRS to manage operations, policies, hours, rentals, and resident activities at the Retreat and Pool.
- Work with CRS and Perfect Pools to ensure all facilities are properly maintained.
- Recommend replacement or repair of Retreat and pool furniture as needed, within the 2026 budget or reserve study.
- Ensure the interior and exterior maintenance of the Retreat and Pool is completed as required, in coordination with CRS.

Social Committee

The Social Committee assesses community needs for social events, recommends funding, and supports activities that promote community spirit. For 2026, the committee plans to:

- Host an Easter Event, likely on April 4, 2026 (the Saturday before Easter).
- Organize a Spring Event (such as a Cinco de Mayo celebration or alternative).
- Arrange the 4th of July Parade and Event.
- Present Rocktoberfest or a Fall Festival (date to be determined).
- Hold a Holiday Party featuring Santa and Mrs. Claus (December date to be determined).

These events aim to foster a more active, involved, and unified community.

Landscape Committee

The Landscaping Committee reviews all common areas, making recommendations about their care and maintenance. Focusing on accepted filings 1-16, the 2026 objectives are:

- Spring: Replace evergreens identified in 2025 and remediate rock beds identified during summer 2025.
- Summer: Identify deciduous trees for fall replacement or remediation, and identify rock beds for spring 2026 remediation.
- Fall: Replace or remediate deciduous trees identified in the summer and identify evergreens for replacement in spring 2026.

Landscaping remains a significant community expense, with the committee emphasizing the upkeep and beautification of tree, plant, and rock beds throughout the Districts.

Community Engagement Committee

Web Site Project

- Update legacy linked documents to meet ADA accessibility requirements.
- Remove obsolete documents and add replacements as needed.
- Add and update linked documents and embedded text to keep the website current.
- Ensure ADA compliance for all new documents and embedded content.
- Monitor the website for ongoing ADA accessibility.
- Track expenditures against the project budget.
- Keep the community informed of major Board actions.

Document Repository Project

- Continue migrating critical operational documents to a centralized repository, ensuring legal compliance.
- Organize and curate the repository to improve usability and eliminate outdated or duplicate files.
- Manage user access and permissions.
- Develop content and access policies for Board approval.
- Provide basic training for new and existing users.
- Monitor project expenditures against the budget.

Engagement Activities

- Follow up on actions from the Informal Mentoring process.
- Work with CRS to maintain the new resident welcome letter and emergency guide.
- Provide periodic Board of Directors meeting updates on committee activities.
- Develop and coordinate educational sessions on key community issues.
- Organize new events to enhance community engagement.

Budgets

Each of the three Districts maintains its own budget. For 2026, Fossil Ridge Metropolitan District No. 1 manages three distinct budgets:

1. Operational Budget (General Fund): Funded primarily by homeowner assessments and transfers from Districts 2 and 3. This budget covers maintenance of community assets not turned over to the City of Lakewood, with landscaping and the management of the Retreat and Pool being major expenditures. Maintaining these assets supports both property values and the aesthetic appeal of the community.
2. Capital Projects Fund: Used for capital improvements and replacements identified in the Reserve Study. Revenue comes mostly from development fees on new homes. In 2026, expenditures will focus on tree and shrub replacements, pool repairs, fees to the District Engineer, and other capital items outlined in the Reserve Study.
3. Special Revenue Budget: Dedicated to the Townhouse Area (THA) and Private Access Area (PAA), funded by related fees and used for costs specific to these areas.

Fossil Ridge Metropolitan District No. 2 operates a General Fund (Operational Budget) and a Debt Service budget. As a taxing district, its role is to collect property and Specific Ownership Taxes (SOT), which are then transferred to FRMD #1's operational budget or FRMD #3's debt service budget.

Fossil Ridge Metropolitan District No. 3 manages all bond debt, with an operational budget (General Fund), Debt Service Fund, and a Capital Improvement Fund established by the Brookfield litigation settlement. As a taxing district, District 3 collects property and SOT taxes, transferring some to District 1's operational budget and retaining most for debt service and paydown. When bonds were issued to satisfy the Brookfield settlement, an additional \$2,000,000 in bonds was approved for capital projects identified by the settlement team, with expenditures from the Capital Improvement Fund funded by this amount.

The 2026 budgeting process began in mid-June 2025, with budget work sessions held in August and September and open to all FRMD residents. The draft budget was published on October 15, 2025, and the Boards approved the 2025 budgets at the regular meeting on December 8, 2025.