

**RESOLUTION
OF THE BOARDS OF DIRECTORS OF
FOSSIL RIDGE METROPOLITAN DISTRICT NOS. 1, 2, and 3
ESTABLISHING A FINANCE COMMITTEE**

WHEREAS, Fossil Ridge Metropolitan District Nos. 1, 2, and 3 (individually a "District" and collectively, the "Districts") are quasi-municipal corporations and political subdivisions of the State of Colorado, duly organized and existing pursuant to §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Boards of Directors of the Districts (individually a "Board", and collectively, the "Boards") are empowered with the management, control, and supervision of all business and affairs of the Districts; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Boards are authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of Colorado for carrying on the business, objects, and affairs of the Boards and the Districts; and

WHEREAS, on September 26, 2017, the Boards of Districts 2 and 3 adopted and approved a Resolution Establishing a Finance Committee for the purpose of ensuring sustainable, efficient and effective consideration of District financial matters ("**2017 Resolution**"); and

WHEREAS, the Boards desire to update and replace the 2017 Resolution as stated herein, and to include District 1 as a party to the Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF THE DISTRICTS AS FOLLOWS:

1. Establishment and Purpose of the Finance Committee. The Boards hereby establish a Finance Committee 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.

2. Authority of the Finance Committee.

(A) The Finance Committee is hereby authorized to review, assess, and monitor the Districts' financial statements and to make recommendations to the Boards regarding the Districts' ongoing financial health, and systems and processes to improve the Districts' financial management. The Finance Committee is further authorized to review the Districts' quarterly and year-to-date budgets, approved audited financial statements, review of capital expenditures and improvements; and review of major expenditures associated with independent contractor services. The Finance Committee also may be requested by the Boards to review issues related to the current or future bonded indebtedness of one or more of the Districts.

(B) The Finance Committee shall present a standardized report to the Boards at a minimum of quarterly at the regular Districts' Board meetings, and more often as desired by the Finance Committee or directed by the Boards in conjunction with a regular or special meeting. Such standardized

report shall describe the work of the Finance Committee during the preceding quarter, and include any analysis, trends, recommendations, or comments of the Finance Committee to the Boards. The report shall be provided to the Districts' manager in writing no later than one week before any such meeting, and shall be signed by the chairperson of the Finance Committee.

(C) The Finance Committee shall meet a minimum of four times every calendar year.

(D) The Finance Committee does not have the authority (i) to give directions and/or instructions to contractors, management, consultants or employees of the Districts, unless otherwise approved by the Boards; (ii) to accept, approve, manage, control, or direct any District financial matter or process; (iii) to make representations to the public or any other person or entity on behalf of any District; or (iv) to enter into any contract or agreement or incur any expense or obligation on behalf of any District.

3. Committee Members.

(A) The Finance Committee will consist of seven (7) members, three of whom will be the Board Treasurers of each District. The remaining four (4) members will be non-Board member residents appointed by majority vote of each District ("*Appointed Members*"). At least one Appointed Member must reside in District 2 and at least one Appointed Member must reside in District 3. The Boards will strive to select Appointed Members with expertise and backgrounds in analyzing financial statements, and/or experience in the public/governmental sector or in public bonding.

(B) The Appointed Member shall serve at the pleasure of the Boards and may be removed at any time, with or without cause, by the Boards. In the event of a vacancy, a new Appointed Member will be appointed by the Boards in the same manner as the original appointment. All Board appointments will be reflected in the Board meeting minutes.

(C) The Finance Committee members shall serve as volunteers and are not entitled to any compensation for their service on the Finance Committee, but are entitled to reimbursement for any out-of-pocket costs incurred by them for Finance Committee purposes, subject to prior approval by the Boards. The Finance Committee members shall, from among the membership of the Finance Committee, select one of the Appointed Members to act as the chairperson of the Finance Committee, and may further select one person to serve as the co-chairperson of the Finance Committee, if so desired.

4. Amendment. The Districts expressly reserve the right to amend, revise, redact, and/or repeal the Finance Committee's authority granted in this Resolution in whole or in part, and from time to time, in order to further the purpose of carrying on the business, objects, and affairs of the Districts. The foregoing shall specifically include, but not be limited to, the right to remove Finance Committee members, increase the number of Finance Committee members, add to or reduce the authority of the Finance Committee, eliminate the Finance Committee or change the budget allocated to the Finance Committee, in the Boards' discretion.

5. Severability. If any term or provision of this Resolution is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be

added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. Supersede and Replace. This Resolution shall supersede and replace the 2017 Resolution previously adopted by the Boards of Districts 2 and 3, which prior Resolution is hereby rescinded and null and void for all purposes.

ADOPTED this 20 day of August, 2018.

BOARD OF DIRECTORS OF THE
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1

By: [Signature]
Director

By: [Signature]
Director

By: [Signature]
Director

By: [Signature]
Director

By: [Signature]
Director

BOARD OF DIRECTORS OF THE
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 2

By: [Signature]
Director

By: _____
Director

By: [Signature]
Director

By: _____
Director

By: [Signature]
Director

BOARD OF DIRECTORS OF THE
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 3

By: [Signature]
Director

By: _____
Director

By: [Signature]
Director

By: _____
Director

By: [Signature]
Director