

**BUDGET RESOLUTION
(2009)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The Board of Directors of Woodmen Heights Metropolitan District No. 2, City of Colorado Springs, El Paso County, Colorado (the "District") held a regular meeting at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado, on Wednesday, November 5, 2008, at the hour of 8:30 A.M.

The following members of the Board of Directors (the "Board") were present:

Lindsay J. Case
Randle W. Case II
Les Krohnfeldt
Paul Howard
James Morley

Also present were: Terry Schooler and Lori VonFeldt-Wingert, Schooler & Associates Inc.; and via telephone: K. Sean Allen, Esq., White, Bear & Ankele Professional Corporation.

The Chairman reported that, prior to the meeting, legal counsel notified each of the directors of the date, time and place of the budget meeting and the purpose for which it was called. He further reported that this is a regular meeting of the Board and that a notice of regular meeting was posted in three (3) locations within the boundaries of the District and at the Clerk and Records' Office for El Paso County, Colorado, and, to the best of his knowledge, remains posted to the date of this meeting.

NOTICE AS TO PROPOSED 2009 BUDGET

0710.0015

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO
COUNTY OF EL PASO

ss.

Jayne Hilton, being first duly sworn, deposes and says that she is the Legal Sales Representative of FREEDOM COLORADO INFORMATION, INC., a corporation, the publishers of a daily public newspaper, which is printed and published daily in whole at the city of Colorado Springs in the County of El Paso, and the State of Colorado, and which is called The Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper 1 time to-wit, October 28, 2008.

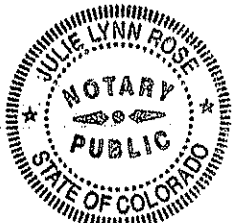
That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.

Jayne Hilton
Jayne Hilton
Legal Sales Representative

Subscribed and sworn to me this 28th day of October 2008, at said City of Colorado Springs, El Paso County, Colorado. My commission expires September 08, 2012

Julie Lynn Rose
Julie Lynn Rose
Notary Public

The Gazette



My Commission Expires
09-08-2012

NOTICE AS TO PROPOSED 2009 BUDGETS AND AMENDED 2008 BUDGETS
NOTICE IS HEREBY GIVEN that proposed budgets have been submitted to the WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1-3 (collectively the "Districts") for the year of 2009. A copy of each of the proposed budgets is on file in the office of Scholer & Associates, Inc. 455 E. Pikes Peak Ave. Suite 100, Colorado Springs, Colorado, where the same are open for public inspection.
NOTICE IS FURTHER GIVEN that amendments to the 2008 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Scholer & Associates, Inc. 455 E. Pikes Peak Ave. Suite 100, Colorado Springs, Colorado, where the same are open for public inspection.
Such proposed budgets and amended budgets will be considered at a regular meeting of the Districts to be held at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado, on Wednesday, November 5, 2008 at 8:30 A.M. Any interested elector of the Districts may inspect the proposed budgets and amended budgets and file or register any objections at any time prior to final adoption of the budgets and amended budgets.
BY ORDER OF THE BOARDS OF DIRECTORS:
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1-3
PUBLISHED IN:
The Gazette
PUBLISHED ON:
October 28, 2008

Thereupon, Director Howard 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 2009 AND ENDING ON THE LAST DAY OF DECEMBER 2009.

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, published 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 November 5, 2008, and interested electors were given the opportunity to file or register any objections to said proposed budget; 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 2009 Revenues and 2009 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2009, 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 fiscal year 2009.

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. 2009 Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2009 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. 2009 Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2009 budget year, there is hereby levied a tax of 30.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso 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 6. 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 7. 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 and budget message with the Division of Local Government by January 30 of the ensuing year.

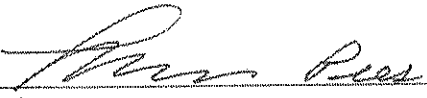
Section 8. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Morley.

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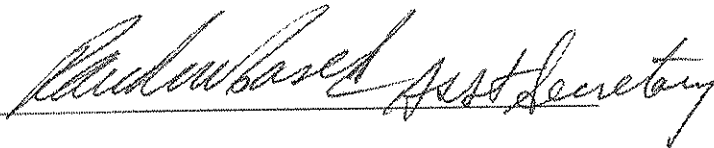
RESOLUTION APPROVED AND ADOPTED THIS 5th DAY OF NOVEMBER
2008.

WOODMEN HEIGHTS METROPOLITAN DISTRICT
NO. 2



Officer of District

ATTEST:



Notary Public

STATE OF COLORADO
COUNTY OF EL PASO
WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2

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 Wednesday, November 5, 2008, at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of November 2008.

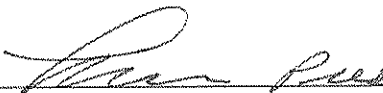


EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

2009 BUDGET MESSAGE
WOODMEN HEIGHTS METROPOLITAN DISTRICTS 1, 2 and 3

These Districts were formed in December 2004 as a vehicle to construct public improvements including streets, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translators, and mosquito and pest control as needed for the development.

The budgets set forth the revenues and expenditures of the District for 2007 through 2009. Of importance is the increase in tax revenues and fees as this corridor develops. There are now three major residential subdivisions: Cumbre Vista Filings 1, 2, and 3, Forest Meadows Filing 1, and Woodmen Vista Filing 1. Some commercial projects are scheduled for development in 2009.

The services to be provided for the District in 2009 are for regular day to day administration of the District i.e.: fee and tax collections, audit, budgets, reporting, and monthly draws. The District has drawn down most all of the capital funds therefore the developers will continue to fund their own projects with the District reimbursing for the capital improvements at such time there are available funds. The District had to pull funds from the Reserve account to make its debt service payment and will be withdrawing more for the 2009 payments as well.

The budget is based on a cash basis. The District operated without an office or employees but does contract for a manager, attorney, accountant, and auditor.

**WOODMEN HEIGHTS METROPOLITAN DISTRICT
2008 AMENDED BUDGET AND 2009 BUDGET
DISTRICT 2 - GENERAL FUND**

	2007 ACTUAL	2008 ACTUAL	2008 BUDGET AMENDED	2008 BUDGET	2009 BUDGET
GENERAL FUND BEGINNING BALANCE	-	-	-	-	-
REVENUES					
D2- PROPERTY TAXES (10 MILLS)	6,095.44	56,196.40	56,196.40	56,313.90	109,067.40
D2- SPECIFIC OWNERSHIP TAXES	824.72	6,412.01	6,412.01	3,941.97	7,634.72
D2- DELINQUENT TAX AND INTEREST	58.15	932.43	932.43		
TOTAL REVENUES	<u>6,978.31</u>	<u>63,540.84</u>	<u>63,540.84</u>	<u>60,255.87</u>	<u>116,702.12</u>
TOTAL REVENUE & FUND BALANCE	<u>6,978.31</u>	<u>63,540.84</u>	<u>63,540.84</u>	<u>60,255.87</u>	<u>116,702.12</u>
EXPENDITURES					
O&M DISTRICT 2 (landscaping, utilities, snow removal)	-	856.93	856.93	844.71	1,636.01
CO TREASURER'S FEE	92.30				
MISCELLANEOUS	-				
TRANSFER TO DISTRICT 1 GENERAL FUND	6,886.01	62,683.91	62,683.91	59,411.16	115,086.11
TOTAL EXPENDITURES	<u>6,978.31</u>	<u>63,540.84</u>	<u>63,540.84</u>	<u>60,255.87</u>	<u>116,702.12</u>
ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00</u>	<u>(0.00)</u>
ASSESSED VALUATION DISTRICT 2		5,631.390	5,631.390	5,631.390	10,906.740
MILL LEVY		10.000	10.000	10.000	10.000

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SCHOLLER & ASSOCIATES, INC.
 Development Consultants Special District Management
 (719) 447-1777 Fax: (719) 575-0088
 www.schollerandassociates.com

**WOODMIEN HEIGHTS METROPOLITAN DISTRICT
2008 AMENDED BUDGET AND 2009 BUDGET
DISTRICT 2 - DEBT SERVICE FUND**

	2007 ACTUAL	2008 ACTUAL	2008 BUDGET AMENDED	2008 BUDGET	2009 BUDGET
DEBT SERVICE BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
D2-PROPERTY TAXES	\$ 15,232.19	\$ 168,589.18	\$ 168,589.18	\$ 168,941.70	\$ 327,202.20
D2-SPECIFIC OWNERSHIP TAXES	\$ 2,060.91	\$ 19,236.01	\$ 19,236.01	\$ 11,825.92	\$ 22,904.15
D2-DELINQUENT TAX AND INTEREST	\$ 145.31	\$ 2,797.28	\$ 2,797.28	\$ -	\$ -
D2-IMPACT FEES RESIDENTIAL	\$ 232,000.00	\$ 339,600.00	\$ 339,600.00	\$ 400,000.00	\$ 400,000.00
D2-IMPACT FEES MULTI-RESIDENTIAL	\$ -	\$ -	\$ -	\$ 36,000.00	\$ 36,000.00
TOTAL REVENUES	\$ 249,438.41	\$ 530,222.47	\$ 530,222.47	\$ 616,767.62	\$ 786,106.35
TOTAL REVENUE & FUND BALANCE	\$ 249,438.41	\$ 530,222.47	\$ 530,222.47	\$ 616,767.62	\$ 786,106.35
EXPENDITURES					
CO TREASURER'S FEE	\$ 230.66	\$ 2,570.80	\$ 2,570.80	\$ 2,534.13	\$ 4,908.03
MISCELLANEOUS	\$ -	\$ 527,651.67	\$ 527,651.67	\$ 614,233.49	\$ 781,198.32
TRANSFER TO DISTRICT 1 DEBT SERVICE FUND	\$ 249,207.75	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 249,438.41	\$ 530,222.47	\$ 530,222.47	\$ 616,767.62	\$ 786,106.35
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 0.00	\$ 0.00
ASSESSED VALUATION DISTRICT 2		\$ 5,631,390	\$ 5,631,390	\$ 5,631,390	\$ 10,906,740
MILL LEVY		\$ 30.000	\$ 30.000	\$ 30.000	\$ 30.000
TOTAL MILL LEVY		\$ 40.000	\$ 40.000	\$ 40.000	\$ 40.000

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