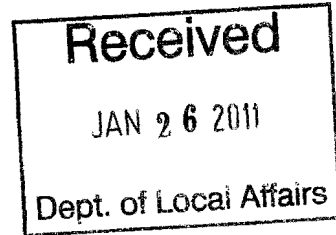


**BUDGET RESOLUTION
(2011)**

65620



CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The Board of Directors of the Cottonwood Greens Metropolitan District No. 3 (the "District"), City of Fort Lupton, Colorado, held a special meeting at 211 North Public Road, Suite 200, Lafayette, CO 80026, on Monday, November 29, 2010, at the hour of at 1:30 P.M.

The following members of the Board of Directors were present:

Axel Bishop
Mariano DeCola

Also present was Dianne Miller, Miller Rosenbluth, LLC.

Ms. Miller reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. She further reported that this is a special meeting of the Board of Directors of the District and that said notice of special meeting was posted at three (3) places within the boundaries of the District and at the Weld County Clerk and Recorder's Office in Greeley, Colorado, and to the best of her knowledge, remains posted to the date of this meeting.

NOTICE AS TO PROPOSED 2011 BUDGET

**COTTONWOOD GREENS METROPOLITAN DISTRICT NOS. 1-4
NOTICE OF SPECIAL MEETING
AND
NOTICE AS TO PROPOSED 2011 BUDGET**

November 29, 2010

NOTICE IS HEREBY GIVEN that the Boards of Directors (the "Boards") of the **COTTONWOOD GREENS METROPOLITAN DISTRICT NOS. 1-4** (the "Districts") City of Fort Lupton, State of Colorado, will hold a special meeting at 1:30 P.M. on Monday, November 29, 2010, at 211 North Public Road, Suite 200, Lafayette, Colorado 80026 for the purpose of conducting such business as may come before the Boards.

FURTHER, NOTICE IS HEREBY GIVEN that proposed budgets have been submitted to the Districts for the ensuing year of 2011. Copies of the proposed budgets have been filed in the office of Miller Rosenbluth, LLC, 700 17th Street, Suite 2200, Denver, CO 80202, where the same are open for public inspection. Such proposed budgets will be considered at the special meeting of the Districts to be held at 1:30 P.M. on Monday, November 29, 2010. Any interested elector within the Districts may inspect the proposed budgets and file or register any objections at any time prior to the final adoption of the 2011 budgets.

The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS
COTTONWOOD GREENS METROPOLITAN DISTRICT NOS. 1-4

By: /s/ MILLER ROSENBLUTH, LLC

Agenda

- 1) Call to Order
- 2) Declaration of Quorum
- 3) Approval of Minutes
 - a. December 2, 2009
- 4) Discuss Determination of Inactive Status
- 5) Public Hearing to Consider 2011 Budget
- 6) Consider 2011 Annual Administrative Resolution
- 7) Consider 2010 Audit Exemption Resolution
- 8) Adjourn

Thereupon, Director Rialup 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 COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 3, CITY OF FORT LUPTON, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2011 AND ENDING ON THE LAST DAY OF DECEMBER 2011.

WHEREAS, the Board of Directors (the "Board") of the Cottonwood Greens Metropolitan District No. 3 (the "District") has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body at the proper time; and

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

WHEREAS, upon due and proper notice, posted in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 1:30 P.M. on Monday, November 29, 2010, 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 § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 3, CITY OF FORT LUPTON, COLORADO, AS FOLLOWS:

Section 1. Summary of 2011 Revenues and 2011 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2011, as more specifically set forth in the budget attached hereto as **Exhibit A**, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein, is approved and adopted as the budget of the District for fiscal year 2011.

Section 3. 2011 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$-0-, and that the 2010 valuation for assessment, as certified by the Weld County Assessor, is \$10. That for the purposes of meeting all general operating expenses of the District during the 2011 budget year, and together with other available revenues of the district, there is hereby levied a tax of 43.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2011.

Section 4. 2011 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$-0-, and that the 2010 valuation for assessment, as certified by the Weld County Assessor, is \$10. That for the purposes of meeting all debt retirement expenses of the District during the 2011 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2011.

Section 5. Certification to County Commissioners. That the Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

CERTIFICATION OF TAX LEVY

TO THE BOARD OF COUNTY COMMISSIONERS OF WELD COUNTY, COLORADO.

Dear Commissioners:

For the year 2011, the Board of Directors of Cottonwood Greens Metropolitan District No. 3 hereby certifies a total levy of 43.000 mills to be extended by you upon the total assessed valuation of \$10 to produce \$-0- in revenue.

The levies and revenues are for the following purposes:

	PURPOSE	LEVY	REVENUE
1.	General Operating Expenses	43.000 mills	\$ -0-
2.	(Minus) Temporary Property Tax Credit/Temporary Mill Levy Reduction	-0- mills	\$ -0-
	SUBTOTAL	43.000 mills	\$ -0-
3.	General Obligation Bonds and Interest *	-0- mills	\$ -0-
4.	Contractual Obligations approved at elections	-0- mills	\$ -0-
5.	Capital Expenditures levied pursuant to § 29-1-302 (1.5), C.R.S.	-0- mills	\$ -0-
6.	Refunds/Abatements	-0- mills	\$ -0-
7.	Other	-0- mills	\$ -0-
	TOTAL	43.000 mills	\$ -0-

* § 32-1-1603, C.R.S., requires special districts to "certify separate mill levies to the Board of County Commissioners, one each for funding requirements of each debt".

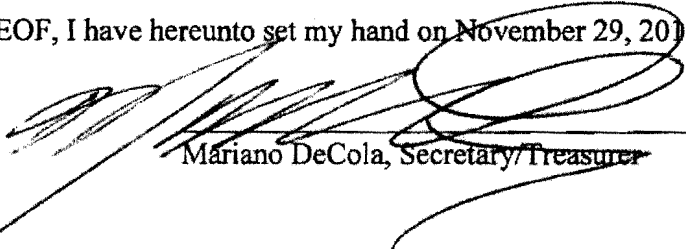
Contact Person: Dianne D. Miller

Daytime Phone: (303) 285-5320

By: Mariano DeCola, Secretary/Treasurer

NOTE: Certification **must** be to three decimal places **only**. If you are located in more than one county, please list all counties here: N/A

IN WITNESS WHEREOF, I have hereunto set my hand on November 29, 2010.



Mariano DeCola, Secretary/Treasurer

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by Mariano DeCola, Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director DeCola.

RESOLUTION APPROVED AND ADOPTED THIS 29TH DAY OF NOVEMBER, 2010.

COTTONWOOD GREENS METROPOLITAN
DISTRICT NO. 3



Axel Bishop, President

ATTEST:

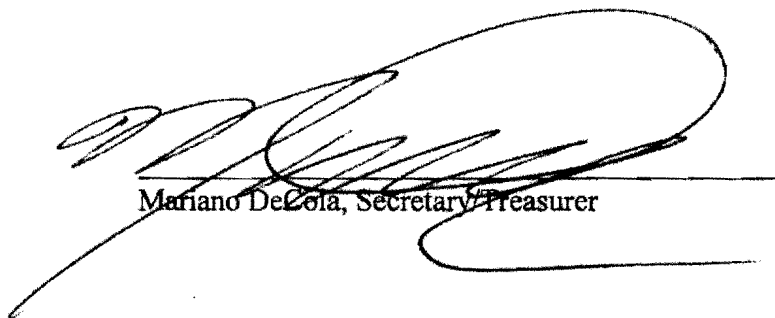


Mariano DeCola, Secretary/Treasurer

STATE OF COLORADO
COUNTY OF WELD
COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 3

I, Mariano DeCola, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the Cottonwood Greens Metropolitan District No. 3 (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 1:30 P.M. on Monday, November 29, 2010, at 211 North Public Road, Suite 200, Lafayette, CO 80026 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2011; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of November, 2010.



Mariano DeCola, Secretary/Treasurer

ACKNOWLEDGEMENT OF NOTICE AND
APPROVAL OF RECORD OF PROCEEDINGS

We, the undersigned members of the Board of Directors of the Cottonwood Greens Metropolitan District No. 3, City of Fort Lupton, Colorado, do hereby acknowledge receipt of proper notice of the meeting of the Board held at 1:30 P.M. on Monday, November 29, 2010, at 211 North Public Road, Suite 200, Lafayette, CO 80026, informing of the date, time and place of the meeting and the purpose for which it was called, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.

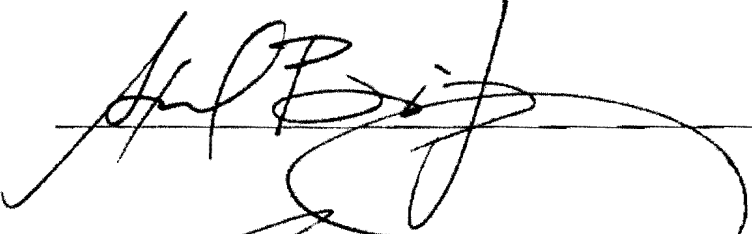




EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

**COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 3
2011 BUDGET**

	<u>Actual 2009</u>	<u>Estimated 2010</u>	<u>Proposed 2011</u>
Beginning Funds Available	\$ 1,350	\$ 1,350	\$ 1,350
Revenue:			
Property Taxes	-0-	-0-	-0-
Services	-0-	-0-	-0-
Refund	-0-	-0-	-0-
Other/Miscellaneous (Contributions)	-0-	-0-	-0-
Specific Ownership Taxes			
Developer Advances	43,650	43,650	43,650
Total Revenue	<u>43,650</u>	<u>43,650</u>	<u>43,650</u>
Total Funds Available	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Expenditures			
County Treasurer's Collection Fees	-0-	-0-	-0-
Insurance and Bonds	1,800	1,800	1,800
Accounting and Legal	41,850	39,950	41,450
Election Costs	-0-	1,500	-0-
Capital Improvements	-0-	-0-	-0-
Utilities (Public Service)	-0-	-0-	-0-
Miscellaneous	-0-	-0-	-0-
Directors' Fees	-0-	-0-	-0-
Total Expenditures	<u>43,650</u>	<u>43,650</u>	<u>43,650</u>
Ending Funds Available	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>
Emergency Reserve	1,350	1,350	1,350
MILL LEVY			
Certified Assessed Valuation	\$ 10	10	10
Mill Levy-General	43.000	43.000	43.000
Property Taxes (est.)	-0-	-0-	-0-

**COTTONWOOD GREENS METROPOLITAN DISTRICT NO. 3
2011 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Through its Service Plan, the Cottonwood Greens Metropolitan District No. 3 (the "District") is authorized to finance certain streets, street lighting, traffic and safety controls, sewer improvements, landscaping, and park and recreation improvements.

Revenue

Developer Advance and Property Taxes

The primary source of funds for 2011 is developer advances. The District anticipates imposing a mill levy of 43.000 mills for the budget year 2011 for operations and maintenance expenses, which will yield \$0 in property tax revenue.

Expenditures

Administrative Expenses

Administrative expenses have been primarily for legal services, insurance and accounting costs.

Funds Available

The District's budget exists from the developer's advances to cover the District's operations, including its administrative functions.

Accounting Method

The District prepares its budget on the modified accrual basis of accounting.