CUMBERLAND GREEN METROPOLITAN DISTRICT

Annual Budget

Fiscal Year 2016

Board of Directors
1/11/2016



THE BUDGET MESSAGE OF THE BOARD OF DIRECTORS

To the residents of Cumberland Green Metropolitan District:

The following Document represents the Fiscal Year 2016 Budget for the Cumberland Green Metropolitan District as prepared by the Board of Directors of the District and the District's Management Firm.

As we enter 2016, the Board of Directors remains ever committed to providing an even better quality of life as the District moves closer to achieving Build-out of its planned 574 Single Family Homes and satisfying the requirements of the approved District's Service Plan.

This Budget provides the way ahead in reaching the District's goals of achieving Build-out, satisfying the requirements of the approved Service Plan and providing the best service to the residents of the community. As we look toward to the future and chart our way into the next Fiscal year, this budget provides a response to the conditions that is expected to be encountered in 2016.

On November 19, 2015, the District issued bonds for the purposes of refunding the District's prior outstanding bonded indebtedness on more advantageous terms, including a lower interest rate. Given the favorable interest rate environment the District locked in a 5.25% interest rate for the next 30 years. By locking in this interest rate for all of the District's obligations the District ensured fiscal certainty for the District's residents. It is anticipated that the District will be able to significantly lower the District's mill levy beginning in 2018. This reduction in mill levy is the result of favorable interest rates obtained in this offering along with the construction of additional homes being built by Oakwood Homes and Aspen View Homes. In 2015 the District also began receiving money from the Conservation Trust Fund to help offset various operating expenses associated with the District's Parks and Opens Space. In 2105 this money was not spent but rather saved for future use as determined by the District's Board.

On December 17th 2013 the District entered into a Stipulated Motion to resolve and vacate the December 17th, 2013 Traverse Hearing. Under the terms of the Stipulation the Cumberland Green Metropolitan District acknowledged that the $333,355.18 owed to Bond Safeguard is not a contingent debt and agreed that any payments on said debt will be paid to Bond Safeguard Insurance Company (BSIC) and not to Jimmy Camp Development, Inc., its assigns or any other party unless the Judgment entered in this case is satisfied. The District agreed to deliver $5,000 to BSIC by June 1, 2014 in partial payment of the above referenced debt. The District believed that the $5,000 payment was fair and reasonable given its 2014 budget. Per the terms of the agreement the District paid to BSIC $10,000 in 2015. These two payments reduced the amount owed to Bond Safeguard Insurance Company by $15,000. As part of the bond refunding in November 2015, the District was able to fully satisfy all of its outstanding obligations to Bond Safeguard.

Now that the cloud of balloon payments on various obligations and the prospect of rising interest rates have been removed, the District looks forward to continued growth through the addition of new homes which will help reduce the District's mill levy and enable the District to maintain its beautiful parks and open space amenities for you, the residents of Cumberland Green.