

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

COTTONWOOD HOLLOW RESIDENTIAL
METROPOLITAN DISTRICT

AND

COTTONWOOD HOLLOW COMMERCIAL
METROPOLITAN DISTRICT

Held: Friday, September 30, 2022 at 1:30 p.m. via Zoom
teleconference.

The joint special meeting of Cottonwood Hollow Residential
Metropolitan District (the “**Residential District**”) and Cottonwood
Hollow Commercial Metropolitan District (the “**Commercial
District**”) referenced above was called and held in accordance with
the applicable statutes of the State of Colorado. The following
directors, having confirmed their qualification to serve, were in
attendance:

Douglas Hatfield
Timothy O’Connor
Dustin Anderson

Also present were: Clint C. Waldron, Esq., and Megan J. Murphy,
Esq., White Bear Ankele Tanaka & Waldron, Residential District
General Counsel and Commercial District General Counsel;
Carrie Bartow and Terri Boroviak, CliftonLarsonAllen, LLP,
Residential District Accountant and Commercial District
Accountant; and Dan Skeehan, Kimley-Horn & Associates,
Residential District Engineer.

Call to Order/Declaration of
Quorum

Director Hatfield noted that a quorum of the Boards was present
and called the meeting to order.

Director Conflict of Interest
Disclosures

Mr. Waldron reported that disclosures for those directors that
provided White Bear Ankele Tanaka & Waldron with notice of
potential or existing conflicts of interest were filed with the
Secretary of State’s Office and the Boards at least 72 hours prior
to the meeting, in accordance with Colorado law, and those
disclosures were acknowledged by the Boards. Mr. Waldron
inquired into whether members of the Boards had any additional
disclosures of potential or existing conflicts of interest with
regard to any matters scheduled for discussion at the meeting. No

additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Approval of Agenda

The Boards reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as reviewed.

Joint Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Public Comment

None.

Consent Agenda

Ms. Murphy reviewed the items on the consent agenda with the Boards. Ms. Murphy advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified, and adopted:

- June 30, 2022 Joint Special Meeting Minutes;
- Special District Disclosure Notices Pursuant to §32-1-809, C.R.S.;
- Joint Resolution Designating Meeting Notices Posting Location;
- Joint Resolution Calling May 2, 2023 Regular Election;
- Contract with DB Enterprises, LLC for Traffic Engineering Services (Residential); and
- Independent Contractor Agreement with PCS Group for Landscape Plans for Filing No. 5 (Residential).

Legal Matters

Consider Adoption of 2023 Joint Annual Administrative Resolution

Ms. Murphy reviewed the 2023 Joint Annual Administrative Resolution with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Discuss and Review Insurance General Liability Schedule and Limits, Consider Authorization to Bind Coverage

The Boards reviewed the current general liability schedule and limits. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the general liability schedule and authorized legal counsel to bind coverage.

Consider Approval of 2023 BMO Worker's Compensation Renewal, Consider Authorization to Bind Coverage Ms. Murphy reviewed the 2023 BMO Worker's Compensation renewal with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the 2023 BMO Worker's Compensation renewal and authorized legal counsel to bind coverage.

Discuss 2022 Legislative Memorandum Ms. Murphy discussed the 2022 Legislative Memorandum with the Boards. No action was taken.

Consider Approval of Contractor Agreement with Heatherly Creative for Website Maintenance and Management Ms. Murphy reviewed the Contractor Agreement with Heatherly Creative for Website Maintenance and Management with the Boards. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the agreement.

Discuss Board Member Contact Emails for District Website Mr. Waldron noted new legislation requires there to be contact information for a Board member on the website and that the most common practice is a single email address that goes to Allison Hanson at White Bear Ankele Tanaka & Waldron. Following discussion, upon a motion duly made and seconded, the Boards unanimously authorized the establishment of a general Board email inbox.

Other Legal Matters None.

District Operations

Discuss Landscape Maintenance Contract (Residential) Mr. Waldron discussed the Landscape Maintenance Contract with the Board of the Residential District noting that Forestar's current contractor is not willing to warrant the landscape improvements to be conveyed the Residential District unless the contract also maintains the improvements. Forestar would like the current contractor, Environmental Landworks, to maintain the improvements to keep the warranty process in place. It was noted that the proposal from Environmental Landworks also includes snow removal. Following discussion, upon a motion duly made and seconded, the Board unanimously authorized the engagement of Environmental Landworks for landscape maintenance and snow removal subject to acceptance of the improvements by the Residential District.

Other District Operations None.

Financial Matters

Review Unaudited Financial Statements, Property Tax Schedule and Cash Sheet

Ms. Bartow reviewed the financial statements dated June 30, 2022 with the Board of the Residential District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the financial statements.

Ms. Bartow reviewed the cash position as of September 30, 2022 with the Board of the Residential District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the cash sheet.

Ms. Bartow reviewed the financial statements dated August 31, 2022 with the Board of the Commercial District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the financial statements.

Ms. Bartow reviewed the cash position dated September 27, 2022 with the Board of the Commercial District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the financials.

Review and Consider Approval of Claims Payable

Ms. Bartow and Ms. Boroviak reviewed the September 30, 2022 Claims Payable in the amount of \$677,241.54 with the Board of the Residential District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the claims.

Ms. Bartow and Ms. Boroviak reviewed the September 30, 2022 Claims Payable in the amount of \$7,365.94 with the Board of the Commercial District. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the claims.

The Boards engaged in general discussion regarding the Districts' boundaries in relation to the oil and gas assessment located in the Residential District that was moved from the Commercial District. No action was taken.

Status of 2021 Draft Audits

Ms. Bartow informed the Boards that the 2021 Draft Audits will be provided to the auditor shortly.

Status of Letter Regarding Release and Use of District Funds (Residential)

Ms. Murphy noted with the Board that Mr. Dunford is working with the Firestone Police Department and Weld County Sheriff to review and refer the matter to the Weld County District Attorney.

Public Hearing on 2022 Budget Amendment (Residential)

Director Hatfield opened the public hearing on the 2022 Budget Amendment. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

<p>Consider Approval of Resolution Amending the 2022 Budget (Residential)</p>	<p>Ms. Bartow reviewed the Resolution Amending the 2022 Budget with the Board of the Residential District. Following discussion, upon a motion duly made and seconded, the Board of the Residential District unanimously adopted the resolution amending the General Fund to \$120,000.</p>
<p>Public Hearing on 2022 Budget Amendment (Commercial)</p>	<p>Director Hatfield opened the public hearing on the 2022 Budget Amendment. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.</p>
<p>Consider Approval of Resolution Amending the 2022 Budget (Commercial)</p>	<p>Ms. Bartow reviewed the Resolution Amending the 2022 Budget with the Board of the Commercial District. Following discussion, upon a motion duly made and seconded, the Board of the Commercial District unanimously adopted the resolution amending the General Fund to \$65,000.</p>
<p>Public Hearing on 2023 Budget (Residential)</p>	<p>Director Hatfield opened the public hearing on the proposed 2023 Budget. Mr. Waldron noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.</p>
<p>Consider Approval of Resolution Adopting the 2023 Budget (Residential)</p>	<p>Ms. Bartow reviewed the 2023 Budget Resolution with the Board of the Residential District. Following discussion, upon a motion duly made and seconded, the Board of the Residential District unanimously adopted the resolution adopting the 2023 Budget, appropriating funds therefor and certifying 10.073 mills for the General Fund and 55.682 mills for the Debt Service Fund.</p>
<p>Public Hearing on 2023 Budget (Commercial)</p>	<p>Director Hatfield opened the public hearing on the proposed 2023 Budget. Mr. Waldron noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.</p>
<p>Consider Approval of Resolution Adopting the 2023 Budget (Commercial)</p>	<p>Ms. Bartow reviewed the 2023 Budget Resolution with the Board of the Commercial District. Following discussion, upon a motion duly made and seconded, the Board of the Commercial District unanimously adopted the resolution adopting the 2023 Budget, appropriating funds therefor and certifying 62.228 mills for the General Fund.</p>

Other Financial Matters

Director Hatfield noted Olsson has submitted change orders that he has approved subject to Board of the Residential District for ratification in an amount totaling \$15,000. Following discussion, upon a motion duly made and seconded, the Board of the Residential District unanimously ratified the change orders.

Construction Updates

Update on District Construction (Residential)

Mr. Skeeahan provided an update on the status of Residential District Construction noting that the initial CLOMR/LOMR is almost complete. Mr. Skeeahan informed the Board he is working with Director Hatfield to reduce the retainage and release the remainder of the funds. Director Hatfield noted OTB is managing the storm water until the underlying lots are sold, at which time, storm water management will be transferred to an operations contract.

Consider Approval of Resolution Accepting District Eligible Costs and Approval of Requisitions from Project Fund (Residential)

Deferred.

Consider Acceptance of Engineer’s Report and Approval of Requisitions from Project Fund (Residential)

Deferred.

Update on Acceptance of Costs and Turnover of Tracts from Forestar (Residential)

Director Hatfield provided an update on acceptance of costs and turnover of improvements from Forestar noting that everything appears to be done. Forestar said there were a number of punch list items to be completed before a final walk through could be scheduled.

Other Construction Updates

None.


Other Business

None.

Adjourn

There being no further business to come before the Boards, and following discussion and upon motion duly made and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Dustin Anderson (Nov 14, 2022 13:47 MST)

Secretary for the Meeting, Residential District

The foregoing minutes were approved on the 8th day of November, 2022.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting, Commercial District

The foregoing minutes were approved on the _____ day of _____, 20__.