

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2021

Pursuant to the Amended and Restated Service Plan for Cottonwood Hollow Residential Metropolitan District (the “**District**”), the District is required to provide an annual report to the Town of Firestone (the “**Town**”) with regard to the matters below.

To the best of our actual knowledge, for the year ending December 31, 2021, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

On June 2, 2021 the District recorded and Order for Inclusion of Property which was Amended and Recorded on March 24, 2022, the Amended Order for Inclusion for The Ditch is attached hereto as **Exhibit A**. On December 2, 2020 the District recorded Order for Exclusion of Real Property which is attached hereto as **Exhibit B**.

2. Copies of the District’s rules and regulations, if any, as of December 31, 2021 of the prior year.

The District adopted a Resolution Adopting a Procurement Policy, attached hereto as **Exhibit C**.

3. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER) there is no litigation involving the District’s Public Improvements as of December 31, 2021.

4. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

As of December 31, 2021 construction of the District’s public improvements is ongoing.

5. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town or other service provider providing service to the property in the District, as of December 31 of the prior year.

As of December 31, 2021, no facilities and improvements constructed by the District have been dedicated or accepted by the Town.

6. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

7. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

8. Any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan.

None.

Exhibit A

**Order for Inclusion of Property and Amended Order for Inclusion
The Ditch**

DISTRICT COURT, WELD COUNTY, COLORADO		DATE FILED: March 16, 2022 10:33 AM
Court Address: 901 9 th Avenue Greeley, Colorado 80631 Telephone: (970) 351-7300		▲ COURT USE ONLY ▲
Petitioner: COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT		
By the Court:		Case Number: 2004CV1757 Division: 4 Courtroom: _____
AMENDED ORDER FOR INCLUSION (The Ditch)		

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for Amended Order for Inclusion of property into the boundaries of the Cottonwood Hollow Residential Metropolitan District, Town of Firestone, Weld County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (also known as "The Ditch"), shall be and is hereby included within the boundaries of the District Nunc pro tunc to May 27, 2021.

2. That in accordance with § 32-1-402(1)(b), C.R.S., as of May 27, 2021, The Ditch shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. In accordance with § 32-1-402(1)(c), C.R.S., The Ditch shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls or charges shall be certified and levied or assessed therefor.

Certified to be a full, true and correct copy of the original in my custody

Dated 3/18/22
 By Rachael Erickson

Clerk of the Combined Court
 Weld County, Colorado

Justin Jones
 Deputy



2313.0900; 1197700

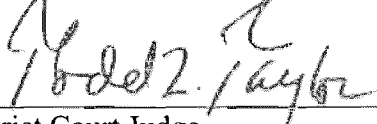
4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

6. All other provisions of the Order for Inclusion issued on May 27, 2021 and recorded on June 2, 2021 at Reception No. 4721130, including the legal description of Parcel 5 and Tract B, Cottonwood Hollow Subdivision Filing No. 2 Reception No. 3532463 remain in effect and shall not be modified by this Amended Order for Inclusion.

DONE AND EFFECTIVE THIS 16th DAY OF MARCH, 2022.

BY THE COURT:



District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

LEGAL DESCRIPTION
DITCH
COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT

A TRACT OF LAND LOCATED IN THE NORTH ONE-HALF OF SECTION 14,
TOWNSHIP 2 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO,
MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTH ONE QUARTER CORNER OF SAID SECTION 14;
THENCE S00°07'17"E ALONG THE EAST LINE OF SAID NORTHWEST QUARTER A
DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;
THENCE S00°07'17"E CONTINUING ALONG SAID EAST LINE A DISTANCE OF 291.37 FEET;
THENCE S57°55'06"W A DISTANCE OF 15.86 FEET;
THENCE S46°08'59"W A DISTANCE OF 81.70 FEET;
THENCE S14°17'01"W A DISTANCE OF 299.30 FEET;
THENCE S49°22'28"E A DISTANCE OF 56.74 FEET;
THENCE S03°16'13"E A DISTANCE OF 33.66 FEET;
THENCE S62°37'55"W A DISTANCE OF 36.80 FEET;
THENCE S26°39'40"W A DISTANCE OF 29.30 FEET;
THENCE S05°13'01"E A DISTANCE OF 184.28 FEET;
THENCE S47°17'38"E A DISTANCE OF 36.28 FEET;
THENCE S02°26'30"W A DISTANCE OF 59.58 FEET;
THENCE S30°54'29"W A DISTANCE OF 226.80 FEET;
THENCE S03°27'11"W A DISTANCE OF 212.60 FEET;
THENCE S04°05'07"E A DISTANCE OF 117.01 FEET;
THENCE S25°08'52"E A DISTANCE OF 256.67 FEET;
THENCE S04°56'23"E A DISTANCE OF 488.16 FEET;
THENCE S12°07'10"E A DISTANCE OF 150.75 FEET;
THENCE S29°04'16"E A DISTANCE OF 217.63 FEET TO A POINT ON THE SOUTH LINE OF NORTHEAST QUARTER OF
SAID SECTION 14;
THENCE N89°55'12"E A DISTANCE OF 552.17 FEET;
THENCE N05°54'04"W A DISTANCE OF 231.64 FEET;
THENCE N30°42'25"W A DISTANCE OF 310.05 FEET;
THENCE N59°38'36"W A DISTANCE OF 73.63 FEET;
THENCE N78°48'01"W A DISTANCE OF 123.20 FEET;
THENCE N16°18'30"W A DISTANCE OF 305.08 FEET;
THENCE N12°48'12"W A DISTANCE OF 504.03 FEET;
THENCE N26°11'10"E A DISTANCE OF 228.92 FEET;
THENCE N13°30'00"E A DISTANCE OF 100.66 FEET;
THENCE N04°09'08"W A DISTANCE OF 187.09 FEET;
THENCE N77°57'21"W A DISTANCE OF 163.26 FEET TO A POINT ON THE CENTER SECTION LINE OF SECTION 14;
THENCE N00°07'17"W ALONG SAID CENTER SECTION LINE A DISTANCE OF 42.50 FEET;
THENCE N34°26'39"E A DISTANCE OF 345.89 FEET;
THENCE N70°27'39"E A DISTANCE OF 183.51 FEET;
THENCE N34°12'35"E A DISTANCE OF 86.45 FEET;
THENCE N01°45'32"E A DISTANCE OF 127.93 FEET;
THENCE N42°34'20"W A DISTANCE OF 107.53 FEET;
THENCE N50°34'57"W A DISTANCE OF 113.93 FEET;
THENCE N89°55'22"W A DISTANCE OF 261.82 FEET TO THE POINT OF BEGINNING,
CONTAINING 21.67 ACRES, MORE OR LESS.

<p>DISTRICT COURT, WELD COUNTY, COLORADO</p> <p>Court Address: 901 9th Avenue Greeley, Colorado 80631 Telephone: (970) 351-7300</p>	<p>10/11/21 Certified to be a true and correct copy of the original in my custody. Dated: 6/1/21 By: <i>Rachel Erickson</i> Clerk of the Combined Court Weld County, Colorado</p>
<p>Petitioner:</p> <p>COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT</p>	<p><i>[Signature]</i> Deputy</p> <p>▲ COURT USE ONLY ▲</p>
<p>By the Court:</p>	<p>Case Number: 2004CV1757 Division: 4 Courtroom:</p>
<p align="center">ORDER FOR INCLUSION (Parcel 5, The Ditch, and Tract B, Cottonwood Hollow Subdivision Filing No. 2 Reception No. 3532463)</p>	

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of the Cottonwood Hollow Residential Metropolitan District, Town of Firestone, Weld County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.
2. That in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.
3. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls or charges shall be certified and levied or assessed therefor.

4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS 27th DAY OF May 2021.

BY THE COURT:



District Court Judge

EXHIBIT A
(Legal Description of Inclusion Property)

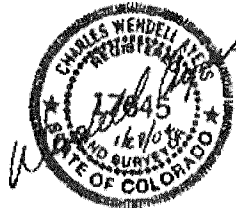
Tract B of Cottonwood Hollow Subdivision Filing No. 2 recorded at Reception No. 3532463 in Weld County, State of Colorado.

LEGAL DESCRIPTION
PARCEL 5
COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT

A TRACT OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST
QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 68 WEST OF THE 6TH
PRINCIPAL MERIDIAN, TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF
COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH WEST CORNER OF SAID EAST HALF;
THENCE S00°15'46"E ALONG THE WEST LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER A
DISTANCE OF 551.05 FEET TO THE POINT OF BEGINNING;
THENCE N81°08'27"E A DISTANCE OF 64.02 FEET;
THENCE N64°18'44"E A DISTANCE OF 492.53 FEET TO A NON-TANGENT POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 11°15'14" A RADIUS
OF 1015.00 FEET A DISTANCE OF 199.37 FEET WHOSE CHORD BEARS S05°21'50"W A CHORD DISTANCE
OF 199.04 FEET;
THENCE S10°59'27"W A DISTANCE OF 225.17 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 11°25'12" A RADIUS
OF 1135.00 FEET A DISTANCE OF 226.22 FEET;
THENCE S00°25'44"E A DISTANCE OF 314.08 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 16°00'07" A RADIUS
OF 1135.00 FEET A DISTANCE OF 316.99 FEET;
THENCE S89°56'37"W A DISTANCE OF 468.64 FEET TO A POINT ON THE WEST LINE OF SAID EAST
HALF OF THE NORTHWEST QUARTER OF SAID SECTION 14;
THENCE N00°15'46"W ALONG SAID WEST LINE A DISTANCE OF 1047.84 FEET TO THE POINT OF
BEGINNING,
CONTAINING 11.66 ACRES, MORE OR LESS.

00-038/DWG/Metro-District-Commercial/LGL-DIST-S.TXT
PREPARED: 01-15-04
REVISED: 03-09-04



LEGAL DESCRIPTION
DITCH
COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT

A TRACT OF LAND LOCATED IN THE EAST AND WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 14;
THENCE S00°07'17"E ALONG THE EAST LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING;
THENCE S00°07'17"E CONTINUING ALONG SAID EAST LINE A DISTANCE OF 311.37 FEET;
THENCE S57°55'06"W A DISTANCE OF 15.86 FEET;
THENCE S46°08'59"W A DISTANCE OF 81.70 FEET;
THENCE S14°17'01"W A DISTANCE OF 299.30 FEET;
THENCE S49°22'28"E A DISTANCE OF 56.74 FEET;
THENCE S03°16'13"E A DISTANCE OF 33.66 FEET;
THENCE S62°37'55"W A DISTANCE OF 36.80 FEET;
THENCE S26°39'40"W A DISTANCE OF 29.30 FEET;
THENCE S05°13'01"E A DISTANCE OF 184.28 FEET;
THENCE S47°17'38"E A DISTANCE OF 36.28 FEET;
THENCE S02°26'30"W A DISTANCE OF 59.58 FEET;
THENCE S30°54'29"W A DISTANCE OF 226.80 FEET;
THENCE S03°27'11"W A DISTANCE OF 212.60 FEET;
THENCE S04°05'07"E A DISTANCE OF 117.01 FEET;
THENCE S25°08'52"E A DISTANCE OF 256.67 FEET;
THENCE S04°56'23"E A DISTANCE OF 488.16 FEET;
THENCE S12°07'10"E A DISTANCE OF 150.75 FEET;
THENCE S29°04'16"E A DISTANCE OF 217.63 FEET TO A POINT ON THE SOUTH LINE OF NORTHEAST QUARTER OF SAID SECTION 14;
THENCE N89°55'12"E A DISTANCE OF 552.17 FEET;
THENCE N05°54'04"W A DISTANCE OF 231.64 FEET;
THENCE N30°42'25"W A DISTANCE OF 310.05 FEET;
THENCE N59°38'36"W A DISTANCE OF 73.63 FEET;
THENCE N78°48'01"W A DISTANCE OF 123.20 FEET;
THENCE N16°18'30"W A DISTANCE OF 305.07 FEET;
THENCE N12°48'12"W A DISTANCE OF 504.03 FEET;
THENCE N26°11'10"E A DISTANCE OF 228.92 FEET;
THENCE N13°30'12"E A DISTANCE OF 100.66 FEET;
THENCE N04°09'08"W A DISTANCE OF 187.09 FEET;
THENCE N77°57'21"W A DISTANCE OF 163.27 FEET TO A POINT ON THE CENTER SECTION LINE OF SECTION 14;
THENCE N00°07'17"W ALONG SAID CENTER SECTION LINE A DISTANCE OF 42.48 FEET;
THENCE N34°26'39"E A DISTANCE OF 345.91 FEET;
THENCE N70°27'39"E A DISTANCE OF 183.51 FEET;
THENCE N34°12'35"E A DISTANCE OF 86.45 FEET;
THENCE N01°45'32"E A DISTANCE OF 127.93 FEET;
THENCE N42°34'20"W A DISTANCE OF 107.53 FEET;
THENCE N50°34'57"W A DISTANCE OF 145.48 FEET;
THENCE N89°55'22"W A DISTANCE OF 261.90 FEET TO THE POINT OF BEGINNING,
CONTAINING 21.79 ACRES, MORE OR LESS

Exhibit B
Order for Exclusion
Parcel 3

DISTRICT COURT WELD COUNTY, COLORADO Court Address: 901 9th Avenue Greeley, Colorado 80632 Telephone No.: (970) 475-2400	DATE FILED: December 1, 2020 3:07 PM CASE NUMBER: 2004CV1757
Petitioner: Cottonwood Hollow Residential Metropolitan District	▲ COURT USE ONLY ▲
By the Court:	
	Case Number: 2004CV1757 Div.: 4 Ctrm:
ORDER FOR EXCLUSION OF REAL PROPERTY FROM COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT	

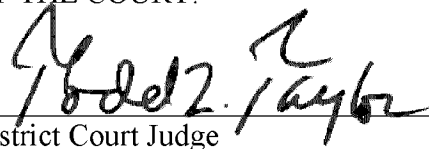
THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of Cottonwood Hollow Residential Metropolitan District, Weld County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.
2. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.
3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.
4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS ____ day of _____ 2020.

December 1, 2020

BY THE COURT:



District Court Judge

EXHIBIT A
Legal Description of Exclusion Property

LEGAL DESCRIPTION
PARCEL 3
COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT

A TRACT OF LAND LOCATED IN THE EAST HALF OF THE SOUTHWEST
QUARTER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 68 WEST OF THE 6TH
PRINCIPAL MERIDIAN, TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF
COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 11;
THENCE N00°07'16"W ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER A
DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING;
THENCE N90°00'00"W A DISTANCE OF 802.43 FEET;
THENCE N00°15'47"W A DISTANCE OF 636.73 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10°45'40' A RADIUS
OF 1015.00 FEET A DISTANCE OF 190.63 FEET;
THENCE N11°01'27"W A DISTANCE OF 796.41 FEET TO A POINT OF CURVATURE;
THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01°52'28' A RADIUS
OF 1015.00 FEET A DISTANCE OF 37.13 FEET WHOSE CHORD BEARS N10°05'13"W A CHORD DISTANCE
OF 37.13 FEET;
THENCE S90°00'00"E A DISTANCE OF 582.89 FEET;
THENCE S02°14'18"E A DISTANCE OF 147.11 FEET;
THENCE S01°35'33"E A DISTANCE OF 227.04 FEET;
THENCE S67°07'59"E A DISTANCE OF 79.46 FEET;
THENCE S41°30'13"E A DISTANCE OF 109.75 FEET;
THENCE S28°16'04"E A DISTANCE OF 142.91 FEET;
THENCE S15°04'29"E A DISTANCE OF 123.50 FEET;
THENCE S19°15'37"E A DISTANCE OF 118.72 FEET;
THENCE S01°03'51"E A DISTANCE OF 131.94 FEET;
THENCE S45°24'51"E A DISTANCE OF 139.51 FEET TO A POINT ON THE EAST
LINE OF SAID SOUTHWEST QUARTER;
THENCE S00°07'16"E ALONG SAID EAST LINE A DISTANCE OF 570.36 FEET TO THE POINT OF
BEGINNING,
CONTAINING 26.33 ACRES, MORE OR LESS.

00-038/DWG/Metropolitan-District/LGL-DIST-3.TXT
PREPARED: 11-19-03
REVISED: 03-09-04

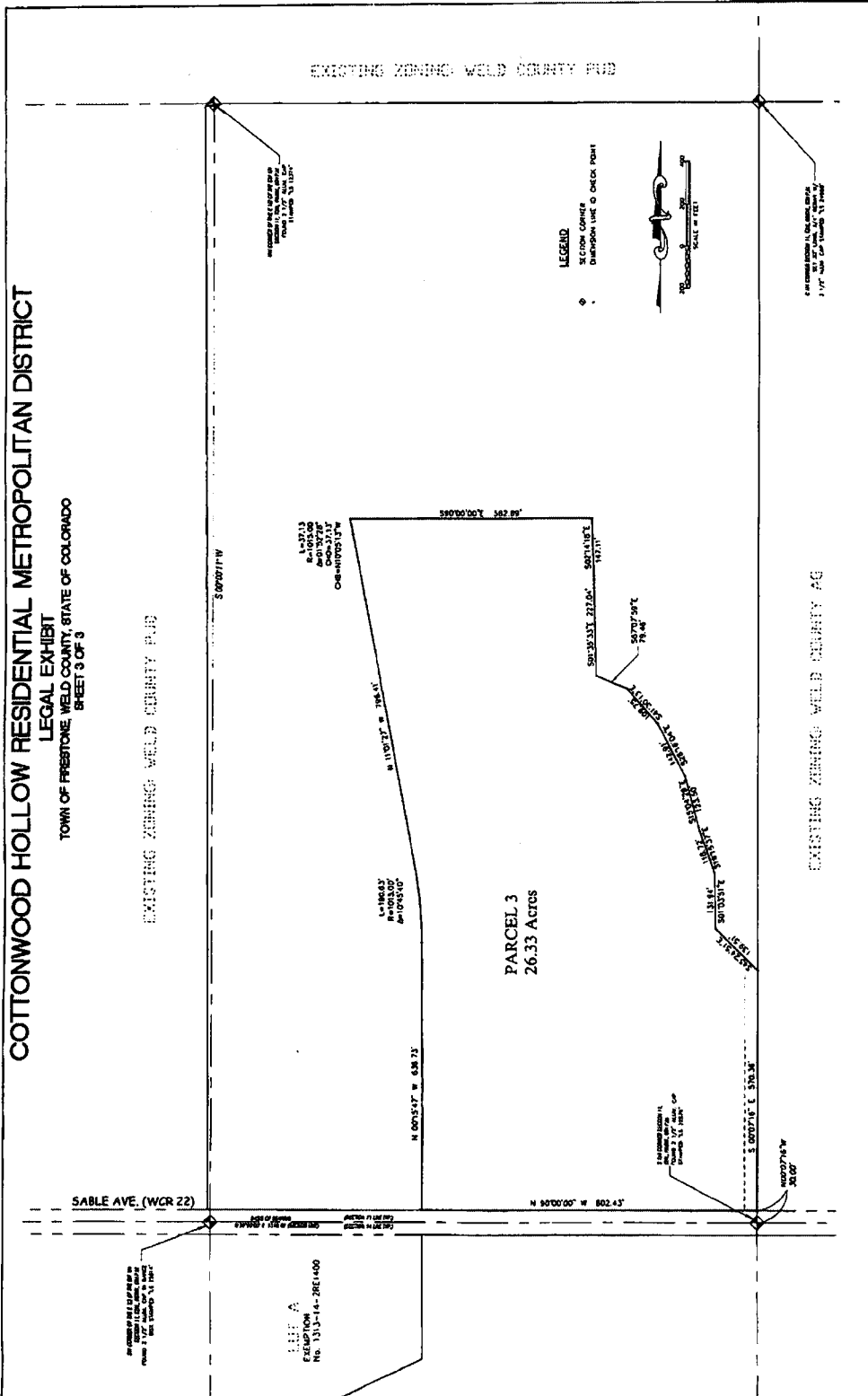


EXHIBIT A

LEGAL DESCRIPTION COTTONWOOD HOLLOW COMMERCIAL METROPOLITAN DISTRICT

PARCEL 3A:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 14, T2N, R68W, 6TH P.M., TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO, WHICH CONTAINS A PART OF TRACT A COTTONWOOD HOLLOW, FILING 1 AS RECORDED AT RECEPTION NUMBER 4485833 OF THE WELD COUNTY CLERK AND RECORDER'S OFFICE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 14; WHENCE THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER OF SECTION 14 BEARS N90°00'00"W WITH ALL BEARINGS HEREIN RELATIVE THERETO; THENCE S06°00'09"E, A DISTANCE OF 1,607.50 FEET TO THE POINT OF BEGINNING;

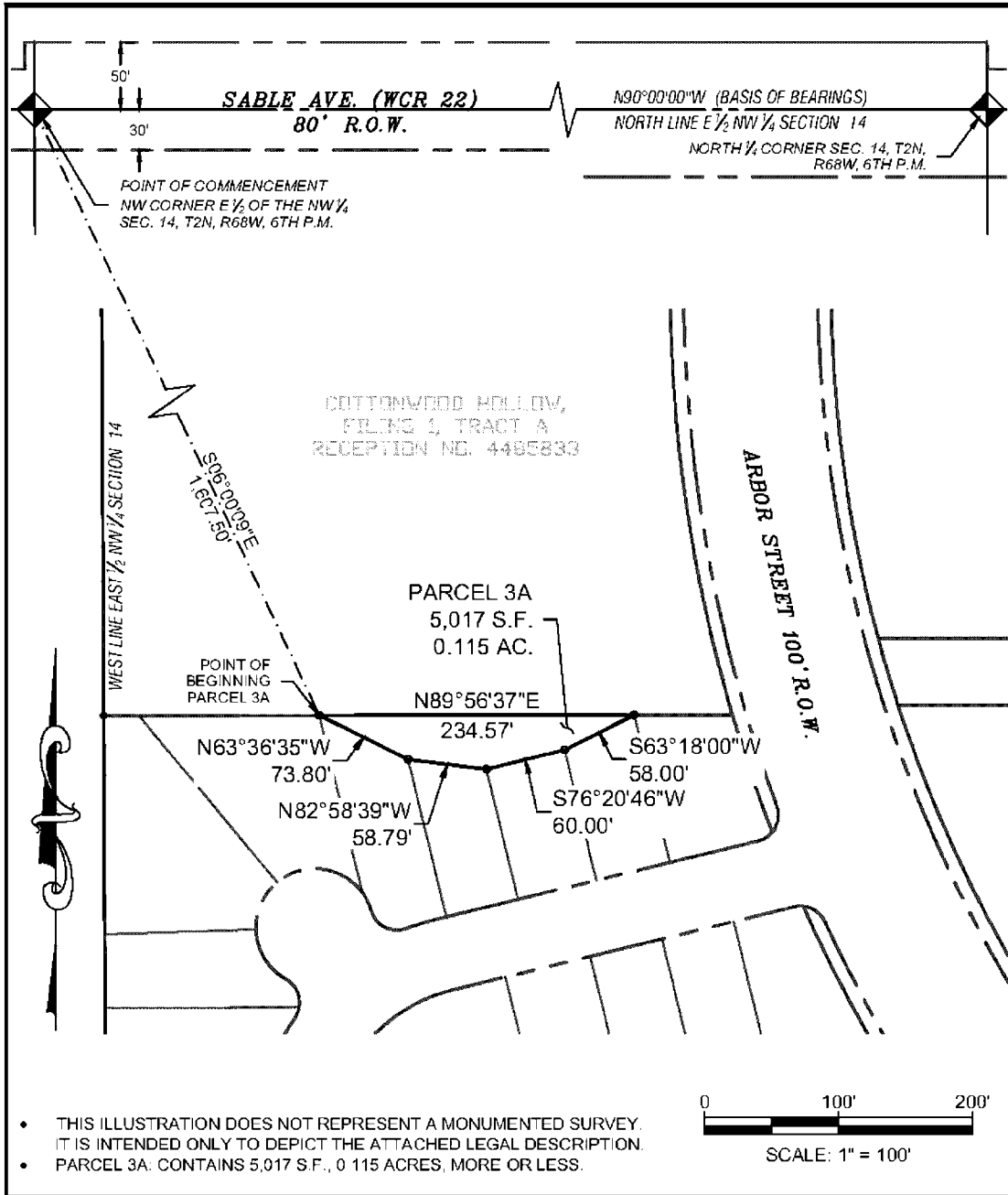
THENCE THE FOLLOWING FIVE (5) COURSES:

1. N89°56'37"E, A DISTANCE OF 234.57 FEET.
2. S63°18'00"W, A DISTANCE OF 58.00 FEET.
3. S76°20'46"W, A DISTANCE OF 60.00 FEET.
4. N82°58'39"W, A DISTANCE OF 58.79 FEET.
5. N63°36'35"W, A DISTANCE OF 73.80 FEET TO THE POINT OF BEGINNING.

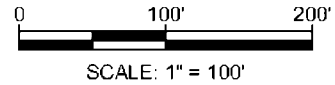
CONTAINING 5,017 SQUARE FEET OR 0.115 ACRES, MORE OR LESS.

WILLIAM L. BREEDLOVE
COLORADO PLS NO. 31546
PARAGON ENGINEERING CONSULTANTS, INC.
801 W. MINERAL AVENUE, SUITE 202
LITTLETON, COLORADO 80120
PHONE: 303-794-8604

EXHIBIT A



- THIS ILLUSTRATION DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED LEGAL DESCRIPTION.
- PARCEL 3A: CONTAINS 5,017 S.F., 0.115 ACRES, MORE OR LESS.




 PARAGON ENGINEERING CONSULTANTS, INC. 801 W. MINERAL AVENUE, SUITE 202 LITTLETON, CO 80120			COMMERCIAL METROPOLITAN DISTRICT FOR COTTONWOOD HOLLOW - PARCEL 3A LOCATED IN THE EAST 1/2 OF THE NW 1/4 OF SECTION 14, T2N, R68W, 6th P.M., TOWN OF FIRESTONE, COUNTY OF WELD, STATE OF COLORADO		
DRAWN BY:	SCALE:	FOLDER:			
WLB	1" = 100'	18-004 Cottonwood Fl 4-Cadd/Sheet 14a/Exhibit Metro District			
CHECKED BY:	DATE:	FILE:			
WLB	11/5/2020	18-004 Metro District Comm Parcel 3A			
SHEET 1 OF 1					

Exhibit C
Procurement Policy

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT**

ADOPTING A PROCUREMENT POLICY

WHEREAS, Cottonwood Hollow Residential Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(d), C.R.S., the Board of Directors of the District (the “**Board**”) is authorized to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(h) C.R.S., the Board shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, in order to implement the services, programs, and facilities of the District in a timely, efficient, and effective manner, the Board has developed and desires to adopt a procurement policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Adoption of Procurement Policy. The District hereby adopts the Procurement Policy set forth in Exhibit A, attached hereto and incorporated herein by this reference, as may be amended from time to time.

2. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution or the Procurement Policy is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

3. Term. This Resolution and the Procurement Policy shall become effective immediately, and shall supersede any previously adopted resolution or policy of the District related to the approval of Contracts and payment of Invoices (as those terms are defined in the Procurement Policy). The Procurement Policy shall remain in full force and effect until such time as it is amended, superseded, rescinded or repealed by the Board.

[Signature page follows]

ADOPTED this 4th day of November, 2021.

**COTTONWOOD HOLLOW RESIDENTIAL
METROPOLITAN DISTRICT**, a quasi-
municipal corporation and political subdivision of
the State of Colorado

Douglas S Hatfield
Douglas S Hatfield (Nov 23, 2021 15:17 MST)

Officer of the District

ATTEST:

Dustin Anderson
Dustin Anderson (Nov 29, 2021 09:00 MST)

Secretary or Officer of the District

Signature page to Resolution Adopting a Procurement Policy

EXHIBIT A

**COTTONWOOD HOLLOW RESIDENTIAL METROPOLITAN DISTRICT
PROCUREMENT POLICY
(Adopted November 4, 2021)**

1. GENERAL

a. *Purpose.* Purchasing and contracting is to be accomplished in the best interests of the District, and is to be performed so as to secure for the District the greatest value considering cost, quality, delivery, service and other considerations which reflect overall value comparisons. Stewardship of public funds is a fundamental responsibility of local government. The public must have confidence that public funds are spent prudently and transparently on its behalf, with proper planning and evaluation, in a manner that is open and fair to all.

b. *Applicability.* This Policy applies to publicly funded expenditures entered into by and on behalf of the District for the purchase of goods or services. The provisions of this Policy related to Contract approval do not apply to professional service contracts (legal, accounting, auditing, etc.), intergovernmental agreements, memorandum of understanding, the purchase, sale or lease of real property, or grants awarded.

c. *Authority.* The authority to procure and pay for goods or services for the District rests with the Board and may be carried out as set forth in this Policy, in accordance with applicable laws, rules, regulations and procedures relating to the expenditures of public funds. No individual may contract or make purchases on behalf of the District unless duly authorized by the Board.

d. *Fiduciary Obligation.* Each Director has a general, common-law fiduciary obligation to the District. As a fiduciary, the Director has the duty to exercise the utmost good faith, business sense and astuteness when approving Contracts or Invoices pursuant to this Policy.

e. *Subdivision prohibited.* No Contract or purchase may be subdivided to avoid the requirements of this Policy.

f. *Payments.* Payments to vendors or contractors are to be expedited whenever possible in order to realize discounts and enhance the District's reputation as a responsible customer.

g. *Emergency Exception.* In an Emergency, the primary concern of the person in charge of the Emergency should be the health and safety of persons and property. The existence of such condition may create an immediate and serious need for supplies, services or construction that cannot be met through normal procurement methods. Secondary consideration should be given to the amount of District funds necessary to adequately resolve the Emergency condition. Therefore, bidding requirements and the limits on the delegated authority are suspended in Emergency conditions. Emergency procurement shall be limited to only those supplies, services or construction items necessary to meet the immediate Emergency.

h. *Deviation.* The Board may deviate from the procedures set forth in this Policy, in its sole and absolute discretion.

2. INTRODUCTION TO PUBLIC PROCUREMENT

Procurement in the public sector is the process through which a local government acquires goods and services. The terms “Procurement” and “Purchasing” are often used interchangeably. However, strictly speaking, “Purchasing” is only one of three stages of the public procurement cycle.

The three stages of public procurement are:

a. **Planning and Scheduling:** This stage includes defining the need, developing the means and methods to meet the need, including the method of source selection, assessing risks, and ensuring proper allocation of resources.

b. **Purchasing and Source Selection:** This stage represents the process through which qualified providers of goods and services are identified, solicited, evaluated and ultimately selected. The method of source selection, dictated by the amount of the expenditure, is determined in the Planning and Scheduling stage.

c. **Contract Formation and Administration:** This stage includes confirmation of expected performance measures, finalization of terms and conditions and signature of authorized parties. This stage also includes post-award enforcement of the terms of the resulting contract, including payment of invoices and adherence to insurance, amendment and renewal requirements through contract completion.

The appropriate procurement process to be followed in any given circumstance is dependent upon a variety of factors. A conceptual framework for determining the appropriate process is summarized as follows:

a. The nature of the purchase dictates (i) whether public competition is required; and (ii) whether additional approvals are required; and

b. The amount to be spent dictates (i) who has the authority to make the purchase; (ii) what kind of competitive solicitation is required, if any; and (iii) who has the authority to sign the contract; and

c. Every purchase and sale, regardless of type or amount, must be memorialized in a written document that identifies the rights and obligations of both the buyer and the seller.

3. DEFINED TERMS

“*Authorized Directors*” means the president of the District and one additional Director of the District.

“*Authorized Party*” means either the Authorized Directors or the District Manager, as the context requires, or any Director authorized by the vote of the Board to take action or expend funds.

“*Board*” means the Board of Directors of the District.

“*Contract*” means (a) a written agreement between two or more competent parties to perform a specific act or acts; (b) any type of agreement or arrangement regardless of what it is called for the procurement of goods or services or that obligates the District to pay a sum of money; and (c) a purchase order.

“*Director(s)*” means any current member(s) of the Board.

“*District*” means Cottonwood Hollow Residential Metropolitan District

“*District Accountant*” means the accountant retained and engaged by the Board to provide accounting services to the District.

“*District Manager*” means the manager retained and engaged by the Board to provide management services to the District.

“*Emergency*” means any situation that constitutes an immediate threat to the health, welfare or safety of persons or property, which would not allow sufficient time to consult with the Board or allow an Authorized Party or the Board to take action using the normal procurement methods set forth in this Policy.

“*Invoice*” means an itemized bill for goods sold or services provided, containing individual prices, and the total charge.

“*Policy*” means the Cottonwood Hollow Residential Metropolitan District Procurement Policy.

4. REQUIREMENTS FOR BIDDING AND OBTAINING PRICE QUOTATIONS

a. Purchases should be comparison shopped in order to achieve the lowest possible purchase price. Prudent management, however, indicates that at certain cost levels, the potential savings by bidding an individual purchase are offset by the increased costs and delays required to obtain multiple bids. This Policy attempts to balance the cost savings potential from receiving bids with the increased costs and delay associated with obtaining those bids. This Policy does not apply to construction contracts for work or materials, or both, involving an expense of \$60,000.00 or more of public moneys, which must be publically noticed and bid.

b. An Authorized Party may choose to incorporate more rigid bidding requirements to the extent that the more rigid bidding requirements are economically feasible.

c. Some purchases are available only from single or limited sources due to: their nature (i.e., utilities); existing relationships (i.e. bank service charges); long-term contracts (i.e. fire protection); or unique physical requirements of District operations. If an Authorized Party is unable to obtain bids required under this Policy because of the need to use sole source providers, market conditions, etc., these circumstances should be documented unless pre-approved by the Board at a meeting.

d. Occasionally the Authorized Party may receive a low bid that for various reasons the Authorized Party may not want to accept. The Authorized Party is authorized to accept the lowest responsive and responsible bid, in its discretion.

e. The requirements for obtaining bids for the purchase of goods and services are shown in Table 1, below.

TABLE 1

Estimated Cost of Item (Goods or Services)	Purchasing Method to Use	Position with Approval Authority
\$0.01-\$ 4,999	Written price quotes from at least one vendor . Price quotes must be written proposals from a representative of an established, viable vendor who is properly licensed to complete the work. The purchaser may select the best source without seeking competitive quotes.	District Manager or Authorized Directors
*\$5,000 - \$9,999	Written price quotes from at least two vendors . Price quotes must be written proposals from a representative of an established, viable vendor who is properly licensed to complete the work.	Authorized Directors (District Manager notifies Board of expenditure)
*\$10,000 and above	Written price quotes from at least three vendors . Price quotes must be written proposals from a representative of an established, viable vendor who is properly licensed to complete the work.	Board of Directors Approved at a Board meeting

*NOTE: Colorado State Statutes require specific formal bid advertisements for “construction contracts for work or materials, or both,” for \$60,000 or more.

5. AUTHORITY FOR CONTRACT APPROVAL

a. Authority. The Board is authorized to make all contracts necessary to exercise the District's corporate and administrative powers and to establish policies and procedures regarding entering into such contracts. Through its policies and procedures, the Board may, as it does here, set forth standards by which to delegate its power to bind the District. Specifically, the Board authorizes the following:

i. The Board retains sole authority to enter into contracts on behalf of the District when the contract requirement is \$10,000 or more.

ii. The Authorized Directors are authorized to procure (that is, solicit, review, approve, execute and enter contracts for) goods or services with a contract requirement of less than \$10,000 when the expenditure is authorized in an approved budget.

iii. The District Manager is authorized to procure (that is, solicit, review, approve, execute and enter contracts for) goods or services with a contract requirement of less than \$5,000 when the expenditure is authorized in an approved budget.

b. Prior to awarding or entering into a Contract pursuant to this Policy, the person authorized to award and approve such Contract shall confirm and verify:

i. The Contract has been reviewed and approved by general counsel to the District; the District Accountant, District Manager and/or engineer, as appropriate;

ii. Any payment required to be made under such Contract does not exceed the amounts appropriated under the line item for the category of expense set forth in the District's approved budgets (e.g., landscaping), to which the Contract reasonably relates. If the line item in the District's budget would be exceeded, the Contract must be approved by the Board at a meeting. *Every purchase order or contract is subject to the appropriation of necessary funds by the District Board on an annual basis, notwithstanding automatic renewal clauses or any other provisions extending the purchase or contract beyond the calendar year in which it is executed;* and

iii. The amount of the Contract does not exceed the amounts authorized to be approved as set forth in Table 1 and Section 5.a.

c. If the Authorized Directors disagree on whether a Contract should be approved, the Contract shall be presented to the full Board for discussion and action.

6. AUTHORITY FOR INVOICE APPROVAL

a. The Board authorizes payment of Invoices so long as: (i) the Contract or expenditure has been approved in accordance with this Policy, or by the Board at a meeting; (ii) such payment does not result in exceeding the Contract amount, inclusive of any validly approved changes to the Contract; and (iii) any payment made does not exceed the amounts appropriated under the line item for the category of expense set forth in the District's approved budgets.

b. The Board hereby delegates and authorizes any two (2) Directors to approve the payment of Invoices.

c. The District's Accountant is authorized and directed, without further approval by the Board, to pay Invoices for the following categories of expenditures:

- i. Utilities (e.g. water, gas and electricity);
- ii. Payments required pursuant to intergovernmental agreements and bonds; and
- iii. SDA membership, insurance policies and director bonds.

7. APPROPRIATION

a. Prior to executing any Contract or making payment of any Invoice, the person authorized to award and approve such Contract or Invoice shall verify with the District's accountant that sufficient funds are available within the District's accounts and are budgeted appropriately to pay such sums. All Contracts approved pursuant to this Policy are subject to appropriation and budget requirements in accordance with Colorado law.

8. PROHIBITIONS

Notwithstanding any authorization in this Policy to the contrary, Directors of the District shall not:

a. Engage in a substantial financial transaction for their private business purposes with a person or company whom they oversee or supervise in the course of their official duties;

b. Perform an official act that is directly and substantially to the economic benefit of a business or other undertaking in which they either have a substantial financial interest or are engaged as counsel, consultant, representative or agent;

c. Accept goods or services for their own personal benefit from a person who is at the same time receiving compensation for providing goods or services to the District, unless the totality of the circumstances related to the acceptance of the goods or services indicates that the transaction is legitimate, the terms are fair to both parties, the transaction is supported by full and adequate consideration, and the Director or employee does not receive any substantial benefit resulting from their official or governmental status that is unavailable to members of the public generally; or

d. Have a financial interest in any contract made by them in their official capacity, as set forth in Section 24-18-201, C.R.S, as may be amended from time to time.