

RESOLUTION
ADOPTING BUDGET, AND APPROPRIATING SUMS OF MONEY
AND CERTIFYING MILL LEVIES FOR THE CALENDAR YEAR 2026

The Board of Directors of Cottonwood Metropolitan District (the “**Board**”) located in Douglas County, Colorado (the “**District**”), held a regular meeting, at 8334 Sandreed Circle, Parker, Colorado on November 25, 2025, at the hour of 7:00 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2026 BUDGET

AFFIDAVIT OF PUBLICATION

See Proof on Next Page

State of Colorado }
County of Douglas } ss

This Affidavit of Publication for the Douglas County News Press, a Weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made on 11/20/2025, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

PUBLICATION DATES: November 20, 2025



For The Douglas County News Press

State of Colorado }
County of Douglas } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Erin Adams, director of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/20/2025. Erin Adams has verified to me that she has adopted an electronic signature to function as her signature on this document.

20134029363-351975
Jean Schaffer
Notary Public
My commission ends January 16, 2028



Public Notice

**NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2026 BUDGETS
AND**

**NOTICE OF PUBLIC HEARING
ON THE AMENDED 2025 BUDGETS**

The Board of Directors (the "Board") of the COTTONWOOD METROPOLITAN DISTRICT (the "District"), will hold a public hearing 8334 Sandreed Circle, Parker, Colorado, on November 25, 2025, at 7:00 P.M. to consider adoption of the Districts' proposed 2026 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2025 budgets (the "Amended Budgets").

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of WBA, PC., 2154 E. Commons Ave., Suite 2000, Centennial, CO 80122.

Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

The agenda for any meeting may be obtained at <https://www.cottonwoodmetro.org/> or by calling (303) 858-1800.

BY ORDER OF THE BOARDS OF DIRECTORS:
COTTONWOOD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WBA, PC

Legal Notice NO. DC 2418.
Publication: November 20, 2025
Publisher: Douglas County News Press

WHEREAS, the Board has appointed its accountant 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, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2026. 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 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Douglas 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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 resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. 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.

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ADOPTED NOVEMBER 25, 2025.

DISTRICT:

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

By: Richard Nielsen, Chairman
Officer of the District

ATTEST:

By: Paul Centello

STATE OF COLORADO
COUNTY OF DOUGLAS
COTTONWOOD METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at 8334 Sandreed Circle, Parker, Colorado on Tuesday, November 25, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of November, 2025.

Paul Centello
Signature

[Signature page to Resolution Adopting Budget, and Appropriating Sums of Money and Certifying Mill Levies for the Calendar Year 2026]

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

COTTONWOOD METROPOLITAN DISTRICT 2026 BUDGET MESSAGE

BACKGROUND

The District was established to provide and maintain an open space park, recreational facilities and programs, landscaping improvements, subdrain systems and provide mosquito control.

ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The District follows the modified accrual basis of accounting.

BUDGET HIGHLIGHTS

1. The Assessed Valuation of the District has changed as follows:

Current year	\$ 108,268,168
Prior year	<u>108,766,198</u>
Decrease	498,030

2. Mill Levy

	<u>2026</u>	<u>2025</u>	<u>Change</u>
General Fund	8.300	8.300	.000

3. The 2026 Budget includes park maintenance, administrative costs and subdrain vault maintenance.

4. Capital Improvements General Fund

\$250,000 for new Maintenance Yard Building
\$250,000 for Jordan Road & Cottonwood Drive Improvements

5. Capital Improvements Conservation Trust Fund

\$150,000 for new playground

COTTONWOOD METROPOLITAN DISTRICT			
	2026		
	GENERAL FUND		
	Actual	Estimated	Budget
	2024	2025	2026
REVENUE			
Property Taxes	891,996	897,200	898,626
State of CO Backfill Funding	30,323		
Specific Ownership Taxes	71,416	73,750	74,000
Interest Income	47,683	68,000	80,500
Other Income	900	200	420
TOTAL REVENUE	1,042,318	1,039,150	1,053,546
EXPENDITURES			
Audit	6,300	6,600	7,000
Directors Fees	5,600	6,100	7,000
Insurance	12,020	17,000	17,000
Legal	12,670	44,000	50,000
Maintenance - Vaults	10,124	5,000	14,800
Maintenance - Park	443,655	433,000	514,000
Vandalism	1,451	2,000	12,000
Management Fees	26,950	34,600	38,000
Accounting	39,600	39,600	39,600
Miscellaneous Expense	6,964	9,100	8,000
Mosquito Control	5,694	5,900	7,500
Treasurers Fees	13,844	13,458	13,479
Utilities	67,032	73,300	77,600
Website Compliance		4,100	4,800
Capital Projects	23,929	33,500	500,000
TOTAL EXPENDITURES	675,833	727,258	1,310,779
Net Change in Fund Balance	366,485	311,892	-257,234
BEGINNING FUND BALANCE	893,133	1,105,061	1,416,953
ENDING FUND BALANCE	1,105,061	1,416,953	1,159,719

COTTONWOOD METROPOLITAN DISTRICT			
	2026		
	LOTTERY FUND		
	Actual	Estimated	Budget
	2024	2025	2026
REVENUE			
Lottery Proceeds	42,411	40,600	41,000
Interest Income	6,126	6,500	7,500
TOTAL REVENUE	48,537	47,100	48,500
EXPENDITURES			
Maintenance Park	10,510		
Capital Expenditures			150,000
TOTAL EXPENDITURES	10,510	0	150,000
NET CHANGE	38,027	47,100	-101,500
BEGINNING FUND BALANCE	103,074	141,101	188,201
ENDING FUND BALANCE	141,101	188,201	86,701

COTTONWOOD METROPOLITAN DISTRICT				
BUDGET ASSUMPTIONS 2026				
	INCOME			
1.	PROPERTY TAX REVENUE			
		Mill		
	Assessed Valuation	Levy		Total
	108,268,168	8.300		898,626
2.	SPECIFIC OWNERSHIP TAXES			
				74,000
3.	INTEREST INCOME		Lottery	
		General	2,200,000	150,000
			0.04	0.05
			88,000	7,500
				80,500
4.	OTHER INCOME			80,500
	This includes rental tax collected and paid by Douglas County Treasurer			420
	TOTAL 2026 GENERAL FUND INCOME			1,053,546
	EXPENSES			
5.	AUDIT			
	Annual audit			7,000
6.	DIRECTORS' FEES			
	12 Regular Meeting, 2 Special Meetings			7,000
7.	INSURANCE			
	Property & General Liability Coverage			17,000
8.	LEGAL			
	Notices, Audit letter etc.		12,000	
	Elections (Capital Expenditures/Fence)		18,000	
	Miscellaneous		6,000	
	Contract reviews, developer items		14,000	
				50,000
9.	MAINTENANCE - VAULTS			
	Monthly Estimate		400	
			12	
			4,800	
	Motor replacements & major repairs		10,000	
				14,800

10.	MAINTENANCE - PARK			
	Maintenance Contract			
	Monthly Fee		17,081	
			12	204,972
	Sanolet			
	Monthly		704.40	
	Billed every four weeks		13.00	
			9,157.20	
	Projected Increase 10 %		10,072.92	10,073
	Trash Removal			
	1,736.00	7.00	12,152	
	430.00	5.00	2,150	
			14,302	
	Projected Increase 10 %			15,732
	Other Park Maintenance			
	Sprinkler Repairs & Replacement			3,000
	Weed Control			12,000
	Small Capital Improvement Projects			20,000
	Cottonwood Highlands Maintenance			190,000
	Snow Removal			9,000
	Tree Care/Removal			8,000
	Playground Repair			10,000
	Parking Lots Sealing			5,000
	Dog Waste & Trash Cans			10,000
	Miscellaneous			16,223
	Total Other Maintenance			283,223
	Total Park Maintenance			514,000
11	Vandalism	\$1,000 per month		12,000
12	MANAGEMENT FEES			
	Special Projects			20,000
	Website Compliance			6,000
	Elections/Legal Assistance			12,000
				38,000
13	ACCOUNTING			
	Monthly Fee			3,300
				12
				39,600
14	MISCELLANEOUS EXPENSE			
	Phone			1,200
	Special District Dues			800
	Other			6,000
				8,000

15	MOSQUITO CONTROL				
	Current Monthly Fee			1,138	
		Projected Increase 10 %		1,252	
	Current contract for 5 months, assume 6 months 2024			6	
				7,511	
		Round to			7,500
16	TREASURER'S FEES				
	Fee paid to Douglas County Treasurer for collections of Property taxes				
				898,626	
				1.50%	
				13,479	
		Round to			13,479
17	UTILITIES		Dollars		
	Water	Paid thru 8/23/24 reading	30,323		
		September estimate	16,000		
		October estimate	12,000		
		Small meter for year	500		
	Water Bill Estimate for 2025		58,823		
	Electric Bill Estimate for 2025		8,400		
	Total Estimated Utility Bill for 2025		67,223		
	2026 Budget Estimate based on average of 2020 thru 2023				
	Water		58,800		
	Assume 10 % increase			64,680	
	Electric Bill Estimate for 2024			12,920	
	TOTAL 2025 Utility Budget				77,600
18	WEBSITE COMPLIANCE Estimate				4,800
19	GENERAL FUND CAPITAL EXPENDITURES				
	Maintenance Building			250,000	
	Jordan Road & Cottonwood Drive Improvements			250,000	
					500,000
	GENERAL FUND TOTAL EXPENDITURES				1,310,780
	NET INCOME (LOSS) GENERAL FUND				(257,234)

CONSERVATION TRUST FUND					
INCOME					
20	Lottery Proceeds				41,000
21	Interest Income				7,500
					48,500
EXPENDITURES					
22	New Playground				150,000
	Net Income (Loss) Conservation Trust Fund				(101,500)