After Recording, Return to:
WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

RESOLUTION
OF THE BOARD OF DIRECTORS
OF THE COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 3

CONCERNING THE IMPOSITION OF A CAPITAL FACILITIES FEE

WHEREAS, the Cottonwood Creek Metropolitan District No. 3 (the "**District**") was formed pursuant to §§ 32-1-101, *et seq*., C.R.S., as amended, by order of the District Court for Arapahoe County ("**County**"), Colorado, and after approval of the District's eligible electors at an election; and

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

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to finance, acquire, construct, install, repair, replace, improve, reconstruct, operate and maintain certain public improvements, amenities and facilities within or otherwise serving and benefitting the property owners, taxpayers and residents of the District, which public improvements, amenities and facilities generally include streets, water, sewer, park and recreation, landscaping, improvements, facilities, appurtenances and rights-of-way (collectively, the "**Facilities**"); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose fees, rates, tolls, penalties and charges for services, programs or facilities furnished by the District which, until such fees, rates, tolls, penalties and charges are paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District incurs or will incur certain direct and indirect costs associated with the financing, acquisition, construction, installation, repair, replacement, improvement, reconstruction, operation and maintenance of the Facilities, as necessary, inclusive of the costs of utilities and capital replacement costs (collectively, the "**Capital Facility Costs**") in order that the Facilities may be properly provided and maintained; and

WHEREAS, the estimated total cost of the Facilities necessary to serve the property within the District is approximately $150,000,000, as described in the District's service plan, approved by the City of Aurora on July 28, 2014; and

WHEREAS, the revenue derived from the District's current ad valorem property taxes is insufficient to pay the Capital Facility Costs; and

WHEREAS, the establishment of a fair and equitable fee (the "**Capital Facilities Fee**") to provide a source of funding to pay for the **Capital Facilities Costs**, which are generally attributable to each Lot (defined below), and other property in the District, is necessary to

provide for the common good and for the prosperity and general welfare of the District and its inhabitants; and

WHEREAS, the District finds that the Capital Facilities Fee, as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, as may be amended from time to time by the Board, is reasonably related to the overall cost of providing the Facilities and paying the Capital Facilities Costs, and that imposition thereof is necessary and appropriate; and

NOW, THEREFORE, be it resolved by the Board as follows:

1. DEFINITIONS. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

"**Apartment Unit**" means a unit within an apartment building which unit is held for lease or rent for residential occupancy and for which a final certificate of occupancy has been issued.

"**Commercial Lot**" means each Lot, regardless of the number of Commercial Units thereon, within the District Boundaries that is used and/or zoned for general commercial, industrial, office, retail or other non-residential uses.

"**Commercial Unit**" means each office space, unit, building or other structure within the District Boundaries that is used and/or zoned for general commercial, industrial, office, retail, or other non-residential uses.

"**District Boundaries***"* means the legal boundaries of the District, as the same are established and amended from time to time pursuant to §§32-1-101, *et seq*., C.R.S., as more particularly set forth in the map and legal description attached hereto as **Exhibit B** and incorporated herein by this reference.

"**Due Date**" means the date by which each Capital Facilities Fee is due, which Due Date is reflected on the Fee Schedule.

"**End User**" means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit and any third party owner or tenant occupying or intending to occupy a Commercial Unit. End User specifically excludes a tenant occupying an Apartment Unit.

"**Fee Schedule**" means the schedule of fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, until and unless otherwise amended and/or repealed.

"**Lot**" means each lot established by a recorded final subdivision plat and which is located within the District Boundaries.

"**Residential Unit**" means each single family attached and single family detached residential dwelling unit (including, without limitation, condominiums, townhomes,

paired homes, rowhouses, duplexes and any other attached and detached single family dwelling units) located within the District.

"**Responsible Party**" means the owner or owners of a Lot before it is transferred to an End User, and if the Responsible Party consists of more than one party, then the obligation to pay the Capital Facilities Fee is the joint and several obligation of all of the parties constituting the Responsible Party.

"**Transfer**" or "**Transferred**" shall include a sale, conveyance or transfer by deed, instrument, writing, lease or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in a tenant, tenants, purchaser or purchasers. Notwithstanding the foregoing, the following shall not be considered a "Transfer," "Transferred" or "Transferring" for purposes of this definition: (i) a conveyance to secure a debt or obligation (or a release, reconveyance, or foreclosure of any such security); or (ii) any conveyance that the Cottonwood Creek Metropolitan District No. 3, in its sole and absolute discretion, determines should not trigger the payment of the Capital Facilities Fee.

"Type I" means a Residential Unit, not including a Patio Home, the plat for which details less than six (6) dwelling units per acre.

"Type II" means a Residential Unit, not including a Patio Home, the plat for which details between seven (7) and fifteen (15) Residential Units per acre.

"**Vacant Lot**" means each lot within the District established by a recorded final subdivision plat, but specifically excluding any parcel upon which one or more Residential Units, Commercial Units or Apartment Units is situated and specifically excluding any parcel owned by the District.

2. CAPITAL FACILITIES FEE.

a. A one-time Capital Facilities Fee is hereby established and imposed upon each Apartment Unit, Residential Unit and each Commercial Unit within the District Boundaries.

b. The Capital Facilities Fee shall be in the amount, and due and owing as outlined in **Exhibit B**. The amount of each Capital Facilities Fee due under this Resolution may be adjusted from time to time in the Board's discretion and shall be at the rate in effect at the time of payment.

c. The Board does hereby determine that the Capital Facilities Fee is reasonably related to the overall cost of providing the Facilities, and is imposed on those who are reasonably likely to benefit from or use the Facilities.

d. The revenues generated by the Capital Facilities Fee will be accounted for separately from other revenues of the District. The Capital Facilities Fee revenue will be

used solely for the purpose of paying Capital Facilities Costs (including the repayment of any indebtedness of the District used to pay Capital Facilities Costs), and may not be used by the District to pay for general administrative costs of the District. This restriction on the use of the Capital Facilities Fee revenue shall be absolute and without qualification.

3. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Capital Facilities Fee not paid in full within fifteen (15) days after the scheduled due date will be assessed a late fee in the amount of Fifteen Dollars ($15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding Capital Facilities Fee, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. The District may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Responsible Party shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by the District and/or its consultants in connection with the foregoing.

4. PAYMENT. Payment for all fees, rates, tolls, penalties, charges, interest and attorney fees imposed pursuant to this Resolution shall be made by check or equivalent form acceptable to the District, made payable to the "Cottonwood Creek Metropolitan District No. 3" and sent to the address indicated on the Fee Schedule. The District may change the payment address from time to time and such change shall not require an amendment to this Resolution.

5. LIEN. The fees imposed pursuant to this Resolution, together with any and all late fees, interest, penalties and costs of collection, shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as the District, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of the County.

6. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

7. PREPAYMENT OF FEES. The District may enter into agreements for the prepayment of Capital Facilities Fees, in its sole and absolute discretion.

8. THE PROPERTY. This Resolution shall apply to all property within the District Boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and

incorporated herein by this reference, and any additional property included into the District after the date of this Resolution.

9. EFFECTIVE DATE. This Resolution shall become effective April 24, 2025.

ADOPTED this 24th day of April, 2025.

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

DocuSigned by:
Mike Sandene
Officer of the District

ATTEST:

Signed by:
Alex Adams
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

Signed by:
Kristin J. Bowers
General Counsel to the District

[Signature Page to Resolution Concerning the Imposition of Capital Facilities Fee]

After Recording, Return to:
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2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

EXHIBIT A

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 3
Fee Schedule
Effective April 24, 2025

Fee Schedule		
Fee Type	**Classifications**	**Rate**
Capital Facilities Fee*	Single Family Detached and Single Family Attached (i.e. Town Home, Patio Home, Duplex, Type I, Type II)	$2,500 / Residential Unit
	Apartment or Other Multi-Family Residential Dwelling Unit Not Otherwise Enumerated	$500 / Residential Unit
*As of March 21, 2025. Amount to increase by 5% on January 1, 2026, rounded to the nearest twenty-five dollars ($25.00), and increased by 5%, compounded, on each January 1 thereafter.		
The Due Date for each Capital Facilities Fee is the earlier to occur of: 1) the date of the initial Transfer of a Lot to an End User; or 2) the issuance of a certificate of occupancy for each Apartment Unit, Residential Unit or Commercial Unit. The Capital Facilities Fee shall be due and payable by the Responsible Party, in full, to the District, on the Due Date.		

PAYMENTS: Payment for each fee shall be made payable to the Cottonwood Creek Metropolitan District No. 3 and sent to the following address for receipt by the Due Date:

Marchetti & Weaver, LLC
245 Century Circle, Unit 103
Louisville, CO 80027

EXHIBIT B

COTTONWOOD CREEK METROPOLITAN DISTRICT NO. 3

District Boundaries