

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF OF THE BOARD OF DIRECTORS OF THE CASCADE METROPOLITAN DISTRICT NO. 1 HELD NOVEMBER 18, 2014

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 18th day of November, 2014, at 5:30 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mike Whittemore
Mike Herr
Bob Justis
Troy Eason

Also In Attendance Were:

Leon Gomes and Divena Mortimeyer; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron, P.C.

Andre Kilik and Duane Schorman; District Operators

Michael Pippenger, Esq; Pippenger Hedberg (for a portion of the meeting)

Members of the Public; see attached list

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential or Existing Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Attorney Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Gomes noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed the proposed Agenda for the District's Special Board Meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Agenda was approved, as amended.

Attorney Tanaka advised the Board that Director Anderson had tendered his resignation from the Board. The Board acknowledged the resignation of Director Anderson. Attorney Tanaka noted that she will publish a Notice of Vacancy as required by statute.

Public Comment:

Pat Conarro: Mr. Conarro queried the Board regarding the embezzlement matter. Attorney Tanaka answered that the District Attorney is still investigating the matter and that all information pertaining to the investigation is confidential.

Phyllis Overson: Ms. Overson inquired about why District rates are higher than those charged by the City of Colorado Springs and whether there was any chance the City would take over the District's system. Attorney Tanaka responded that the rates the District charges reflect those charged the District by the City of Colorado Springs but noted that the District has additional costs for the provision of water which are added to those fees. Attorney Tanaka noted that the City's takeover of the District's system are part of ongoing negotiations between the District and the City of Colorado Springs.

James Houk: Mr. Houk advised the Board that he believes a mistake was made in his water bill for the previous month. Mr. Gomes replied that Mr. Houk's bill will be reviewed and that the findings will be communicated to Mr. Houk.

Danielle Sandoval: Ms. Sandoval advised the Board that she is considering purchasing property in the District, but noted her concern regarding District water rates. Ms. Sandoval inquired about why rates are increased and whether rates are expected to be increased again. Director Whittemore explained that District water rates are dependent on rates set by Colorado Springs Utility as well as other costs.

Correspondence: Mr. Gomes advised the Board that no correspondence had been received.

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Minutes: The Board reviewed and considered the Minutes from the October 28, 2014, Regular Meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Eason and, upon vote, unanimously carried, the Board approved the minutes of the October 28, 2014 Regular Meeting.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of payables through the period ending November 18, 2014, totaling \$46,715.98.

Following review and discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Board approved the payment of payables, as presented. Director Herr noted that the online statements match those that were presented to the Board at the October 28, 2014 Regular Meeting.

Financial Statements: Ms. Mortimeyer reviewed with the Board the unaudited financial statements for the period ending October 31, 2014 and the schedule of cash position dated October 31, 2014.

Following review and discussion, upon motion duly made by Director Justis, seconded by Director Eason and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending October 31, 2014, and the schedule of cash position dated October 31, 2014, as presented.

2014 Budget Amendment Hearing: Ms. Mortimeyer reviewed with the Board the 2014 Expenditures Requiring Appropriation compared to the 2014 Estimated Expenditures. She noted that the estimated expenditures exceed the budgeted expenditures requiring that the 2014 Budget be amended. Ms. Mortimeyer noted that several factors have given rise to the need for a budget amendment including the lack of financial statements from prior years from which to develop a reliable budget and the subsequent imposition of the Water Provision Fee and its related payments to the City of Colorado Springs which occurred in March 2014.

The President opened the public hearing to consider the Resolution to Amend the 2014 Budget and discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2014 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

A District Customer expressed concern regarding the District's need for the Budget Amendment. Attorney Tanaka explained the necessity of Budget Amendment and the commonness of doing so, estimating that 90% of district budgets require amendment due to unforeseen expenditures that arise throughout the year. There were no further public comments and the public hearing was closed.

Following review and discussion, upon motion duly made by Director Eason, seconded by Director Herr and, upon vote, unanimously carried, the Board adopted Resolution 2014-11-01, Resolution to Amend the 2014 Budget. A copy of the Resolution is attached hereto and incorporated herein by this reference.

2015 Budget Hearing: Ms. Mortimeyer reviewed the draft 2015 budget with the Board and explained the sources for the proposed numbers. The President opened the public hearing to consider the proposed 2015 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2015 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

A District customer asked about budgeting for improvements to the District's infrastructure. Attorney Tanaka noted that the District is awaiting an engineering study to determine the estimated cost of the improvements, which is expected by early 2015. Because the costs are not known at this time and the financing for the improvements have not been issued or determined, a budget amendment will likely be required when those determinations are made.

A District customer inquired about the status of the Budget in the event that there is a takeover of the District by Colorado Springs Utilities in 2015. Attorney Tanaka responded that there will be no takeover by CSU of the District's system in 2015.

A District customer expressed concern that bids were not being solicited by the District for bonds. Attorney Tanaka explained that the bonds have not yet been

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priced to the market but when the bonds are priced, they will be placed on the market where they will be bid.

A District Customer inquired about the water provision fee, whether this fee is intended to pay off Colorado Springs Utilities, and about when the fee was first imposed. Mr. Gomes replied that the fee was first imposed on April 1, 2014. The District Customer then asked why \$110,000 is budgeted for a loan repayment. Ms. Mortimeyer responded that the budgeted amount is intended to pay back a new loan. The District Customer asked why it is necessary to budget this amount. Attorney Tanaka responded that a payment must be made in the 2015 fiscal year and that the budgeted amount reflects that necessity. It was explained that the budget reflects the annual payments necessary for the loan repayments in the event the refinancing is not effectuated or is made later in the year than anticipated. In the event the refinancing is accomplished earlier in the year, then those payments may not be needed for that line item and will be shifted to a new line item for a new loan which will be created to pay the new obligation. The District Customer asked whether insurance expenditures included increased crime coverage. Mr. Gomes responded that it did not. The District Customer inquired as to why current loan payments are included in the 2015 budget. Ms. Mortimeyer replied that the exact date of refinancing is, at present, unknown. Attorney Tanaka added that Ms. Mortimeyer's projections are conservative and observe fiscal caution and thereby best serve the District's interests.

Bob Pennick expressed accord with the Board's prioritization of infrastructure needs and asked whether the \$25.00 fee to repay the Colorado Springs Utilities balance will end when repayment is complete. Attorney Tanaka advised Mr. Pennick that the repayment will likely be affected by a refinancing and the fee will likely be rolled into a new payment; however, this depends upon a variety of factors which are still being reviewed by the District.

A District customer inquired about the assets of the District. Ms. Mortimeyer answered that the assets of the District are \$1.2 million. The customer then asked how it is possible for the District to borrow amounts in excess of its assets. Ms. Mortimeyer replied that it is possible for the District to borrow amounts greater than its assets because repayment is budgeted for from the District's revenue.

A District customer inquired about the number of District customers not paying the \$25.00 fee. Mr. Gomes answered that the customers not paying the Water Provision Fee are delinquent with their entire billed amount. He was not able to provide the number of customers that are currently delinquent.

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There were no further public comments and the public hearing was closed.

Following discussion, the Board considered the adoption of Resolution No. 2014-11-02 to Adopt the 2015 Budget and Appropriate Sums of Money, and upon motion duly made by Director Justis, seconded by Director Herr and, upon vote, unanimously carried, the Resolution was adopted, as discussed, and execution of the Certification of Budget was authorized. Mr. Gomes was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2015. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Revenue Bond for Refinancing of Current Debt and System Improvement Projects: The Board deferred discussion on these matters to the December 9, 2014 Special Meeting.

OPERATIONS MATTERS

Operator's Monthly Report: Operator Andre Kilik reported to the Board on the following matters:

1. Mr. Kilik reported that he contacted Mark Lamb regarding the Stults residence and the hydrant on Poplar Street.
2. Mr. Kilik advised the Board that he requested a formal proposal for water tank repairs from Mid-West Tank Repair.
3. Mr. Kilik reported that he repaired the hydrant on Aspen Glow.
4. Mr. Kilik noted that required water tests have been completed.
5. Mr. Kilik reported that one meter was damaged as a result of freezing.
6. Mr. Kilik noted that he will share the results of the water meter audits with Kendra Haubert at the earliest opportunity.

Replacement of Non-Working Meters: Mr. Gomes reported to the Board that three non-working meters have yet to be replaced.

Proposal for Water Tank Repairs: This matter was deferred pending the receipt of a proposal from Mid-West Tank Repair and inspection of the tank by the District Engineer.

Water Study Proposals: The Board directed Mr. Gomes to proceed with the water study by the Colorado Rural Water Association.

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Waterline Replacement at the Stults Residence: Mr. Kilik reported that he is attempting to reach Mark Lamb of Mark Lamb Plumbing & Excavation to schedule this project.

LEGAL MATTERS

2015 Annual Administrative Resolution: The Board entered into discussion regarding the adoption of Resolution No. 2014-11-03: 2015 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Justis, seconded by Director Herr and, upon vote, unanimously carried, the Board adopted Resolution 2014-11-03: 2015 Annual Administrative Resolution. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Marijuana Policy: Attorney Tanaka presented a memorandum and Resolution 2014-11-04: Adopting a Marijuana Policy to the Board.

Following discussion, the Board determined not to adopt the policy.

Independent Contractor Agreement with Special District Management Services: The Board entered into discussion regarding the approval of an Independent Contractor Agreement between the District and Special District Management Services, Inc.

Following discussion, the Board deferred action on this matter to the December 9, 2014 meeting.

White Bear Ankele Tanaka & Waldron, P.C. Engagement Letter: The Board entered into discussion regarding the approval of a Renewed Engagement Letter with White Bear Ankele Tanaka & Waldron, P.C. for General Counsel Services.

Following discussion, upon motion duly made by Director Herr, seconded by Director Eason and, upon vote, unanimously carried, the Board approved the Renewed Engagement Letter with White Bear Ankele Tanaka & Waldron, P.C. for General Counsel Services.

Fidelity Bonds and Designated Agent Endorsements: Attorney Tanaka discussed with the Board a memorandum regarding the consideration of Crime Coverage, Fidelity Bonds, and Designated Agent Endorsements. She noted that the Board may wish to consider increasing its Crime Coverage and adding the Designated Agent Endorsement in light of the recent embezzlement of District funds. She stated that the basic Crime Coverage provided by the District's

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insurance policy is limited to \$5,000 per occurrence and the Special District Management Services, Inc. (SDMS) Fidelity Bond covers all of its clients for up to \$500,000 per occurrence. She noted that there has never been an incident of theft from any districts managed by SDMS during the fifteen years she has been working with SDMS.

The Board entered into discussion regarding Fidelity Bonds and Designated Agent Endorsements. During the discussions, it was noted that there are several measures in place to detect unauthorized activities in the District's bank accounts including an independent comparison of the bank statements by the Board Treasurer with the financial statements provided by SDMS.

Following discussion, the Board determined that the current checks and balance measures in place are adequate and no additional coverages are necessary.

Attorney Pippenger arrived.

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Herr, seconded by Director Justis and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:55 p.m. for the purpose of discussing negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 9:54 p.m.

Engagement of Pippenger Hedberg, LLC as Special Litigation Counsel for Potential Claims Relating to Embezzlement Matters Against the District's Former Auditor: The Board discussed and considered the engagement of Special Litigation Counsel for potential claims relating to embezzlement matters against the District's former auditor.

Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Board approved the engagement of Pippenger Hedberg, LLC as Special Litigation Counsel for potential claims relating to embezzlement matters against the District's former auditor.

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Settlement Negotiations for 2001CW42: The Board entered into discussion regarding settlement negotiations for 2001CW42.

Following discussion, upon motion duly made by Director Justis, seconded by Director Eason and, upon vote, unanimously carried, the Board approved a settlement with the City of Colorado Springs, pending review by Legal Counsel of the final term sheet from the City of Colorado Springs.

OTHER BUSINESS

Proposal from JDS-Hydro Consultants, Inc.: The Board entered into discussion regarding the approval of a proposal from JDS-Hydro Consultants, Inc., for the preparation of a map and legal description of the Inclusion area for the May 2015 Inclusion Election.

Following discussion, upon motion duly made by Director Justis, seconded by Director Herr and, upon vote, unanimously carried, the Board approved the proposal from JDS-Hydro Consultants, Inc., for the preparation of a map and legal description of the Inclusion area for the May 2015 Inclusion Election, for an amount not-to-exceed \$5,500, and the Second Addendum to the Independent Contractor Agreement with JDS-Hydro Consultants, Inc. for the same.

Cancellation of December 23, 2014 Regular Meeting and Scheduling of a Special Meeting for December 9, 2014: The Board entered into discussion regarding the cancellation of the December 23, 2014 Regular Meeting, and scheduling of a Special Meeting for December 9, 2014.

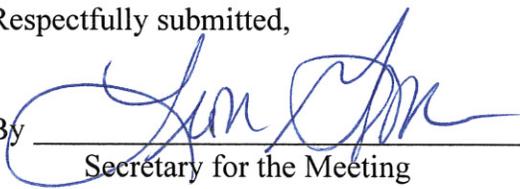
Following discussion, the Board confirmed the cancellation of the December 23, 2014 Regular Meeting and the scheduling of a Special Meeting on December 9, 2014.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made and seconded, and upon vote, unanimously carried, the meeting was adjourned.

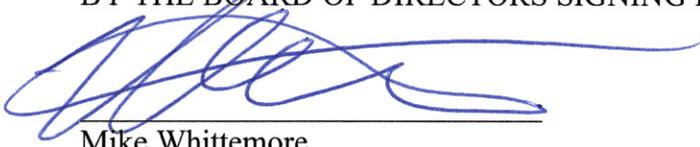
Respectfully submitted,

By _____


Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 18,
2014 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1
BY THE BOARD OF DIRECTORS SIGNING BELOW:

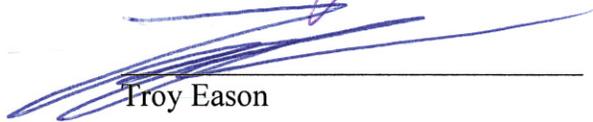


Mike Whitemore

Mike Herr



Bob Justis



Troy Eason

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Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Cascade Metropolitan District No. 1, I attended the executive session on November 18, 2014 for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions and discussing matters subject to negotiation, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Cascade Metropolitan District No. 1

CASCADE METROPOLITAN DISTRICT No. 1

_____, 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
✓ FAT CORNER	8160 CHIPITA PARK LN CASCADE, CO 80809	719.684.3155 Fatcorner@gmail.com	REALLY!
✓ DON OVERSON	" " "	719-460-3010	WHY DOES THE WATER DISTRICT CHARGE SO MUCH FOR WATER WHEN CS RESIDENTS HAVE LOWER RATES
✓ PHILLIS OVERSON	7750 MARIOTT RD	719-460-3020	WHY IS THIS MONEY GOING TO PROGRESS QUESTOR - VOLUNTEER
✓ James Hok	7855 Newcroft Rd.	719 460 1947	

RESOLUTION NO. 2014 - 11 - ~~02~~
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASCADE METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2015 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Cascade Metropolitan District No. 1 ("District") has appointed the District Accountant to prepare and submit a proposed 2015 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2014, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 18, 2014, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cascade Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cascade Metropolitan District No. 1 for the 2015 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

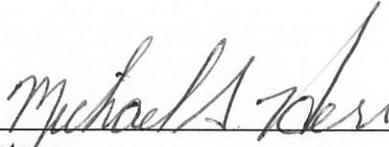
ADOPTED this 18 day of Nov., 2014.

A handwritten signature in cursive script, appearing to read "Mike Herr", is written above a horizontal line.

Mike Herr, Secretary

EXHIBIT A
(Budget)

I, Mike Herr, hereby certify that I am the duly appointed Secretary of the Cascade Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2015, duly adopted at a meeting of the Board of Directors of the Cascade Metropolitan District No. 1 held on November 18, 2014.

By: 
Secretary

Resolution No. 2014-11-03

**CASCADE METROPOLITAN DISTRICT NO. 1
ANNUAL ADMINISTRATIVE RESOLUTION
(2015)**

At the special meeting of the Board of Directors (“Board”) of the Cascade Metropolitan District No. 1 (“District”), El Paso County, Colorado, held at 5:30 P.M., on Tuesday, November 18, 2014, at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado, it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of El Paso, Colorado (the “County”) and is located entirely within the County; and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

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

1. The Board directs the District’s Manager to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“Division”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District’s Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District’s Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s Accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.

5. The Board directs the District’s Manager to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604,

C.R.S., the Board directs the District's Manager to apply for and obtain an audit exemption from the State Auditor on or before March 31 in accordance with § 29-1-604, C.R.S.

6. The Board directs the District's Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, the District's audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7) C.R.S.

7. The Board directs the District's Accountant to submit a proposed budget to the Board by October 15, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District's Manager to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, to prepare all budget resolutions and to file the budget and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's Manager to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

9. The Board directs the District's Accountant to prepare the mill levy certification form and directs the District's Manager to file the mill levy certification forms with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.

10. The Board designates *The Daily Transcript* as a newspaper of general circulation within the boundaries of the District and directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S., in *The Daily Transcript*, unless otherwise designated by the Board or legal counsel.

11. The Board determines that each director may receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.

12. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

President: Mike Whittemore
Secretary/Treasurer: Mike Herr
Assistant Secretary: Bob Justis
Assistant Secretary: Troy Eason
~~Assistant Secretary: P.J. Anderson~~
Recording Secretary: District Manager

13. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State

at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

14. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

15. The Board hereby appoints the District's Manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S.

16. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the westerly side of Martindale Avenue approximately 200 yards south of Poplar Street, Cascade, Colorado, as the District's 24-hour posting place for notices of meetings.

17. The Board determines to hold regular meetings on the fourth Tuesday of each month at 5:00 P.M., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. Notice of the time and place for all regular meetings shall be posted in accordance with § 32-1-903, C.R.S.

18. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

19. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution adopted by the Board.

20. Pursuant to its authority set forth in § 1-1-111, C.R.S., the Board hereby appoints Leon Gomes of Special District Management Services, Inc., as the "Designated Election Official" of the District for any elections to be held. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, the power to enter into intergovernmental agreements on behalf of the District, call an election on behalf of the District, to approve the final form of ballot issues and questions, to prepare the TABOR notice, to appoint election judges and a canvass board and to cancel, if applicable, the election.

21. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the Designated Election Official to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district.

22. The Board directs the District's Manager to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

23. The Board directs the District's Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

24. The Board directs the District's Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

25. The Board directs the District's Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.

26. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District's Manager to obtain workers' compensation coverage for the District.

27. The Board hereby directs the District's Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: www.sdaco.org.

28. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

29. The Board hereby directs the District's Manager to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

30. The Board directs the District's Accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

[Remainder of page intentionally left blank].

RESOLVED, APPROVED AND ADOPTED THIS 18TH DAY OF NOVEMBER, 2014.

CASCADE METROPOLITAN DISTRICT NO. 1



Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

CERTIFICATION OF RESOLUTION

STATE OF COLORADO
COUNTY OF EL PASO
CASCADE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Tuesday, November 18, 2014, at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 18th day of November, 2014.