

RESOLUTION OF THE BOARD OF DIRECTORS OF
CATHEDRAL PINES METROPOLITAN DISTRICT IMPOSING
FIRE AND FLOOD MITIGATION FEES

WHEREAS, Cathedral Pines Metropolitan District, El Paso County, Colorado (the "District"), is a quasi-municipal corporation duly organized and existing as a metropolitan district under the laws of the State of Colorado (the "State"), including particularly Title 32, Article 1, C.R.S. (the "Special District Act"); and

WHEREAS, the District is authorized by the Special District Act and its Service Plan to provide and operate open space and drainage facilities within the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(j), C.R.S., the District is authorized to fix, and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs or facilities furnished by the District which, until paid, shall constitute a perpetual lien on and against the property served, and which lien may be foreclosed in the same manner as provided by the laws of the State for the foreclosure of mechanics' liens; and

WHEREAS, the Black Forest Fire and the subsequent flooding in 2013, caused considerable damage to detention pond facilities and erosion of the upstream drainage system of the District which will require substantial mitigation at a total estimated cost of \$550,000 a portion of which can be paid by the Federal Emergency Management Agency in the amount of \$410,000 which will be primarily used for downstream erosion control; and

WHEREAS, the District has to pay the additional cost of upstream erosion control and detention pond repairs in order to mitigate future erosion and damage to downstream drainage;

WHEREAS, the Board has determined that there needs to be a one time fire and flood mitigation fee on all property in the District; and

WHEREAS, the Board has determined and hereby determines that the imposition of this fee is authorized by Section 32-1-1001(1)(j), C.R.S., and is reasonably related to the provision of the services provided by the District, is fair and reasonable for the type and quality of services provided by the District, will serve a public purpose and will promote the health, safety and general welfare of the residents of the District by providing for the orderly payment of the costs of providing for fire mitigation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CATHEDRAL PINES METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Imposition of Fire and Flood Mitigation Fee. A one-time fire and flood mitigation fees is hereby established on all properties within the District from and after the effective date of this Resolution. The Fire and Flood Mitigation Fee shall be imposed at the rate of \$1,500.00 per residential lot and shall be due and payable on or before September 30, 2014.

Section 2. Noncompliance. The District may impose such delinquency charges for noncompliance herewith as may be permitted by law, including, without limitation, Part 11 of Article 1 of Title 29, C.R.S.

Section 3. Lien for Payment. The Fire and Flood Mitigation Fee imposed hereby shall, until paid, constitute a perpetual lien on and against the property against which it imposed, and any such lien may be foreclosed in the manner as provided by the laws of the State for the foreclosure of mechanic's liens, pursuant to Section 32-1-1001(1)(j), C.R.S.

Section 4. Modification/Future Events. The Fire and Flood Mitigation Fee and the rate thereof have been established based on projected budgetary requirements of the District using various assumptions regarding cost of improvements, bond issues and interest rates therefor, together with operations expenses and maintenance expenses. Actual costs may differ from projections and the District may decide to modify the Fee in the future based on actual circumstances.

Section 5. Repealer. All bylaws, orders, resolutions or parts thereof inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

Section 6. Severability. If any clause or provision of this Resolution is determined to be invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such determination shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining provisions intact and enforceable.

Section 7. Authentication. This Resolution, immediately on its adoption, shall be authenticated by the signatures of the President and the Secretary of the District and recorded in the District book of resolutions kept for that purpose.

Section 8. Applicability and Recording. The Fire and Flood Mitigation Fee imposed by this Resolution shall apply to all residential property within the District's boundaries, and any additional property included into the District after the date of this Resolution but shall not apply to properties owned by the District.

Section 9. Effective Date. This Resolution and the Recreational Facility Fee shall be effective immediately, and shall continue in effect until repealed or amended by the District.

ADOPTED AND APPROVED this 14th day of April 2014.

(SEAL)

President

ATTEST:

Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY **NOVEMBER 12, 2012**
2:00 P.M.**

Present Board Members: Bart Atkinson
 Jason Courtright
 Laura Carno
 Don Holmes
 Dan Potter

Also Present: Peter M. Susemihl

The meeting was held at the Community Center at Cathedral Pines. The meeting was called to order at 2:00 p.m. by Bart Atkinson. Peter Susemihl acted as secretary.

It was further noted that posting of this meeting had occurred as required by law and that a notice of budget hearing had been published.

Upon motion made by Dan Potter, seconded by Don Holmes, the Board unanimously approved the minutes of **September 18, 2012.**

The Board then moved to the manager's report. Dan Potter explained that it had been a pretty good season as far as maintenance was concerned; however, toward the end of the season the pressure pump on the south failed and the NW pump failed. The installer at no cost installed a new pump but without warranty. About \$10,000 in unbudgeted funds was spent. Light ballasts were replaced and repairs still have to be made to the mail box light.

On the development side, Bart Atkinson reported that there are 81 homes with 6 under construction. Banks have foreclosed on 5 lots. The County is sending out noxious weeds letters. The HOA has the ability to impose fines. An explanation of the architectural control committee was given and Bart Atkinson reported that the HOA approved its budget. Bart Atkinson further reported that he did ask for a management bid from Warren Management but that they would not give one as they could not compete with what was presently being budgeted.

The meeting was then opened to a public hearing with regard to the 2013 budget. Several questions arose with regard to the budget and the board decided to continue the budget hearing to Friday, November 30, 2012 at 2:00 p.m. so that Charlotte Christiansen (who prepared the budget) could attend and answer questions. This meeting will be held at the home of Dan Potter at 4040 Saunderton Grove. Peter Susemihl will attend by phone.

There being no further old or new business, upon motion by Don Holmes, seconded by Dan Potter the meeting was adjourned at 3:30 p.m.

A handwritten signature in black ink, appearing to read 'Peter M. Susemihl', written over a horizontal line.

Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
SPECIAL MEETING
THURSDAY NOVEMBER 21, 2013
2:00 P.M.**

Present Board Members: Bart Atkinson
 Jason Courtright
 Laura Carno
 Don Holmes
 Dan Potter

Also Present: Peter M. Susemihl
 Charlotte Christiansen
 Brent Hawker

The meeting was held at the Community Center at Cathedral Pines. The meeting was called to order at 2:00 p.m. by Bart Atkinson. Peter Susemihl acted as secretary.

It was further noted that posting of this meeting had occurred as required by law.

The purpose of the meeting was to discuss the ramifications of the Black Forest fire and erosion control and mitigation that had to be done within the District boundaries.

Bart Atkinson reported that the District was short of cash and the erosion mitigation could not wait until Spring. Dan Potter reported on the tour of the District conducted by personnel of the Federal Emergency Management Agency (FEMA).

Charlotte Chirstiansen summarized one of the FEMA meetings and explained how the cost of labor, equipment and materials were submitted and that FEMA checks could be issued in 3-4 weeks. Dan Potter reported that they were getting bids for the cleanup although they did not have to do so.

Dan potter reported that the costs would be paid for 75% by FEMA, 12.5% by the State of Colorado, and 12.5% by the District. Dan Potter noted that the District had already paid \$48,000 and this should equal its 12.5% share.

Don Holmes requested that the Board receive monthly budget data with cash flow projections that match the budget. The Board was in agreement and Charlotte Christiansen stated that this could be done.

There was then a lengthy discussion concerning the obtaining of some interim financing in order to continue the work until the FEMA reimbursements arrived. Following discussion upon motion by Laura Carno, seconded by Bart Atkinson, the Board unanimously agreed that the District should obtain a line of credit and/or a loan which repayment of principal and interest would be due December 31, 2014 in an amount not to

exceed \$108,000 with the understanding that the line of credit was preferable and that reimbursement from FEMA would first be used to pay off this line of credit/loan and that this borrowing was to be part of the appropriation resolution of the District. The cost of borrowed dollars is to be placed in the budget.

It was generally acknowledged that should there be no FEMA reimbursement (worst case scenario), there would still have to be work done and a method for paying for the same such as an imposition of a new fee.

The Board committed to obtain insurance through the National Flood Insurance Agency.

There being no further old or new business, the meeting was adjourned at 3:30 p.m.

Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY DECEMBER 9, 2013
2:00 P.M.**

Present Board Members: Bart Atkinson
 Jason Courtright
 Laura Carno
 Dan Potter

Also Present: Peter M. Susemihl
 David Wismer

The meeting was held at the Community Center at Cathedral Pines. The meeting was called to order at 2:00 p.m. by Bart Atkinson. Peter Susemihl acted as secretary.

It was further noted that posting of this meeting had occurred as required by law and that a notice of budget hearing had been published.

Upon motion made by Laura Carno, seconded by Dan Potter, the Board unanimously approved the minutes of November 21, 2013 and excused Don Holmes.

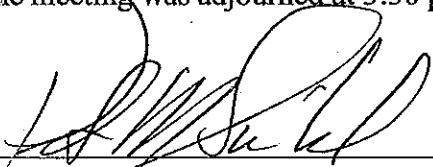
The Board then heard from David Wismer, owner of Shamrock Ranch, who wanted an easement over District property in order to move in heavy equipment for the purpose of removing dead trees as a result of the Black Forest fire. After a lengthy discussion, the Board indicated that it did not want to take immediate action until it had input from Don Holmes who could not make the meeting. The Board did request that David Wismer provide more information as to the number of trucks that would be moving in and out and over what time frame. The Board was concerned about one particular homeowner whose property is right next to the roadway that would be used. After the presentation, David Wismer left the meeting. Bart Atkinson is going to contact this property owner. There was some discussion concerning a license rather than an easement and discussion as to whether there should be financial consideration paid to the District.

The meeting was then opened to a public hearing with regard to the 2014 budget. After review and discussion, upon motion by Laura Carno, seconded by Dan Potter, the budget was unanimously adopted.

Dan Potter gave an update with regard to the erosion control issue and stated that a meeting was scheduled for tomorrow with FEMA and hopefully final approval will be given to the plan. Three different banks are looking at loan proposals but the same may not be needed depending on the timing of the receipt of FEMA funds.

The Board appointed Peter Susemihl as the designated election official for 2014 with the authority to cancel the election and declare the nominees to be the elected officials should there be no more nominations than vacancies.

There being no further old or new business, the meeting was adjourned at 3:30 p.m.



Peter M. Susemihl, Acting Secretary