

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY NOVEMBER 10, 2008
2:00 P.M.**

Present Board Members: Bart Atkinson
 Charlotte Christiansen
 Dan Potter

Also Present: Peter M. Susemihl

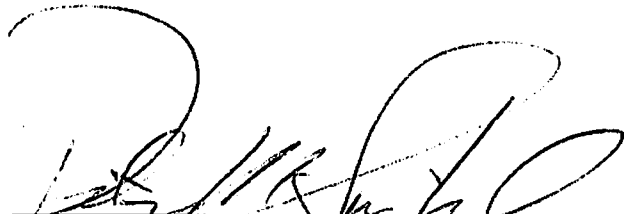
The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

The Board unanimously approved the minutes of the December 11, 2007, upon motion made by Dan Potter and seconded by Bart Atkinson. Fred Draney and Mary Fortey were excused.

The meeting then opened to a budget hearing. Following the hearing and discussion, the public hearing was closed and upon motion by Charlotte Christiansen, seconded by Dan Potter the 2009 budget and amended 2008 budget were unanimously adopted.

There being no further old or new business, the Board unanimously voted to adjourn at 2:30 p.m.


Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
SPECIAL MEETING
TUESDAY DECEMBER 11, 2007
2:00 P.M.**

Present Board Members: Bart Atkinson
 Charlotte Christiansen via teleconference
 Dan Potter via teleconference

Also Present: Peter M. Susemihl
 Tom Bishop via teleconference
 Ken Guckenberger via teleconference

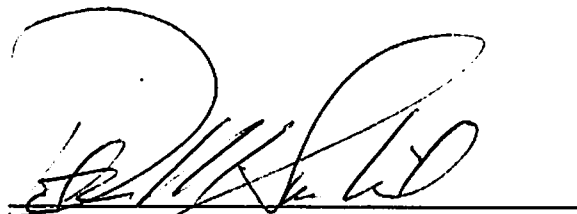
The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

The Board unanimously approved the minutes of the October 12, 2007 meeting and Fred Draeny and Mary Fortey were excused.

The meeting was then opened to a discussion concerning the Resolution, Indenture of Trust and Bond Purchase Agreement with regard to the 2008 \$5,000,00 General Obligation Issue. Upon motion made by Bart Atkinson, seconded by Charlotte Christiansen the Resolution, Indenture and Purchase Agreement were unanimously approved.

There being no further old or new business, the Board unanimously voted to adjourn at 2:15 p.m.



Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY, OCTOBER 12, 2007
2:00 P.M.**

Present Board Members: Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Peter M. Susemihl

The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

Upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the minutes of the February 12, 2006 meeting were unanimously adopted and Dan Potter was excused.


The meeting was then opened to a public hearing for the 2008 budget and amended 2007 budget. It was noted that the notice of this budget hearing had been published. At the close of discussion the hearing was closed and upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the Board unanimously approved the budget appropriation resolution and authorized Peter Susemihl to certify the mill levies.

Upon motion made by Alfred Draney, seconded by Bart Atkinson, the Board unanimously approved a Resolution authorizing the application for exemption from audit

Peter Susemihl was appointed the designated election official for 2008 with the authority to cancel the election and declare the nominees to be the elected officials should there be not more nominations than vacancies.

There was a brief discussion about the upcoming 2008 bond issue.

There being no further old or new business, upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the Board unanimously decided to adjourn at 2:30 p.m.



Peter M. Susemihl, Acting Secretary

10. The District cannot provide economical and sufficient service and at a reasonable cost (compared with the costs imposed by other entities) to the Subject Real Property and to the rest of the District should the petition for exclusion be granted.

11. There would be no adverse effect on employment or other economic conditions on the District, the region, State and surrounding area should the petition be denied.

12. There is no economic alternate municipal service available to the Subject Real Property.

13. There would be additional costs to be levied on the balance of the properties in the District should the petition be granted.

ORDER

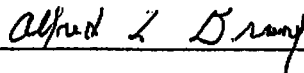
Having considered all of the factors set forth herein and all of the statutory requirements for exclusion, the undersigned Board of Directors of Cathedral Pines Metropolitan District hereby orders that the Petition for Exclusion is and should be denied.

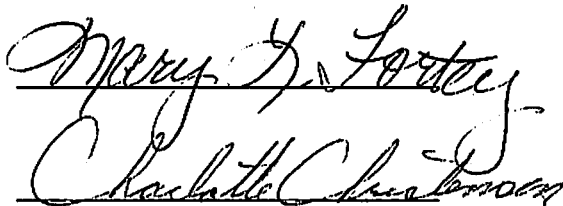
Entered into this 12th day of February 2007.

BOARD OF DIRECTORS

CATHEDRAL PINES METROPOLITAN DISTRICT





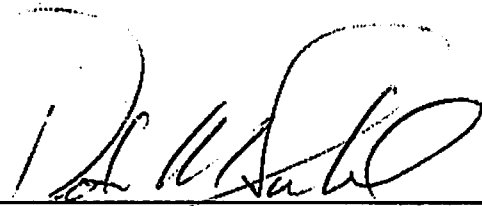


**CATHEDRAL PINES METROPOLITAN DISTRICT
ORDER WITH REGARD TO THE KNOX EXCLUSION PETITION**

THIS MATTER coming before the Board of Directors for public hearing at its regularly scheduled meeting held Monday, April 10, 2006 at 2:00 p.m. at 2790 North Academy, Colorado Springs, Colorado 80917, and the matter having been continued several times and coming to be heard on February 12, 2007 at 2:00 p.m. at 2790 North Academy, Colorado Springs, Colorado 80917, and the Board having heard the testimony and evidence in this matter and incorporated evidence and testimony from previous hearings, and having fully considered the Petition for Exclusion of certain real property hereby makes the following Findings and Order:

FINDINGS

1. The Petitioners are the owner of one hundred percent (100%) of the real property described on the attached legal description ("Subject Real Property") and they filed their Petition for Exclusion on or about September 15, 2005.
2. Public Notice of said Petition and a Notice of a Public Hearing was duly published and given as required by statute.
3. The Owners are the sole fee owners of the real property which is the subject of the Petition and have good right, full power and lawful authority to bring the Petition. There are no other persons or parties owning or being entitled to any estate, right, title, interest, claim or demand, at law or in equity, in and to the Subject Real Property.
4. That by execution of the Petition, the Owners have assented to and formally requested the permanent exclusion of the Subject Real Property from the Cathedral Pines Metropolitan District.
5. That the Petition for Exclusion was brought pursuant to C.R.S. Title 32, Article 1, Part 5, as amended.
6. The Board of Directors of Cathedral Pines Metropolitan District (the "District") heard the Petition at public meeting after publication on April 10, 2006 at 2:00 p.m. and at various continued hearing dates..
7. The Petitioners voluntarily signed the Court Petition requesting the formation of the District and requesting that the Subject Real Property be included in the District.
8. It is not in the best interests of the District, the County, or the Subject Real Property that the same be excluded.
9. There is no real cost saving or benefit to the Subject Real Property by being excluded.

A handwritten signature in black ink, appearing to read "Peter M. Susemihl", written in a cursive style. The signature is positioned above a horizontal line.

Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
RESOLUTION FOR EXEMPTION FROM AUDIT**

A RESOLUTION APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2006 FOR THE CATHEDRAL PINES METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO.

WHEREAS, the Board of Directors wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604 C.R.S. states that any local government where neither revenue nor expenditures exceeds five hundred thousand dollars, may with the approval of the state auditor, be exempt from the provisions of Section 29-1-603 C.R.S.; and

WHEREAS, neither revenues nor expenditures exceeded \$100,000 for fiscal year 2006;

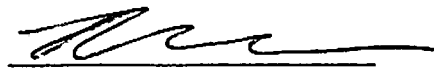
WHEREAS, an application for exemption from audit has been prepared by our counsel, Peter M. Susemihl, a person skilled in government accounting; and

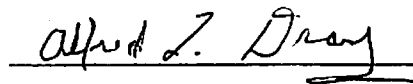
WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the state auditor.

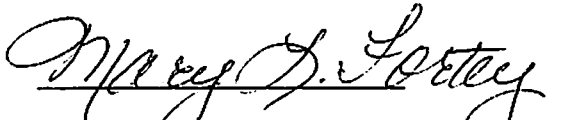
NOW THEREFORE, be it resolved by the Cathedral Pines Metropolitan District that the application for exemption from audit for the fiscal year ending December 31, 2006 has been reviewed and is hereby approved by a majority of the Board of Directors and that those Directors have signified their approval by signing below and that this Resolutions shall be attached to and become a part of the application for exemption from audit for the fiscal year ended December 31, 2006.

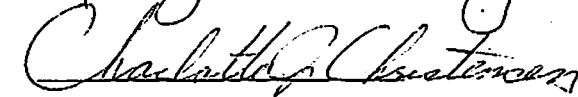
Adopted this 12th day of February 2007.

DIRECTORS:









**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY, FEBRUARY 12, 2007
2:00 P.M.**

Present Board Members: Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Peter M. Susemihl

The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

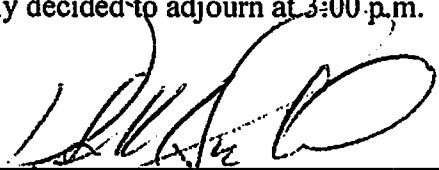
Upon motion made by Mary Fortey, seconded by Bart Atkinson, the minutes of the December 11, 2006 meeting were unanimously adopted. As Dan Potter requested that he be recused from this meeting, he was excused.

Upon motion made by Alfred Draney, seconded by Bart Atkinson, the Board unanimously approved a Resolution authorizing the application for exemption from audit for 2006. The Resolution was signed along with the application.

The meeting was then opened to a continuation of the public hearing with regard to the request by Doug Knox and Mary Knox for exclusion of property from the District. The Board was joined by Doug Knox and his attorney, Jane Fredman. It was noted that this matter had been advertised for public hearing for the April meeting and had been continued several times to this date and time. The Board incorporated all of the comments from the previous hearings into this hearing. It was noted that the use of the property would continue to be agricultural for real estate tax purposes and that being in the District would have very little adverse financial impact on the property owner. It was also noted that the property owner could always re-petition for exclusion but that if once excluded, the District could not force an annexation back into the District. There was also some concern about the obligation to other tax payors in the District. After some discussion, the Board reviewed a proposed Order Denying the Petition. Jane Fredman received assurances that other than Dan Potter who was excused, no Board member had any conflict or financial interest in the issue. Upon motion made by Bart Atkinson, seconded by Mary Fortey, the Board unanimously adopted the Resolution denying the Petition for Exclusion.

There being no further old or new business, upon motion made by Charlotte Christiansen, seconded by Alfred Draney, the Board unanimously decided to adjourn at 2:30 p.m.

There being no further old or new business, upon motion made by Bart Atkinson, seconded by Mary Forty, the Board unanimously decided to adjourn at 3:00 p.m.



Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY, DECEMBER 11, 2006
2:00 P.M.**

Present Board Members: Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Peter M. Susemihl

The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

Upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the minutes of the April 10, 2006 meeting were unanimously adopted. As Dan Potter requested that he be recused from this meeting, he was excused..
2006.

The Board then opened the meeting to a public hearing with regard to the 2007 budget. After discussion and review, the meeting was closed and upon motion made by Fred Draney, seconded by Charlotte Christiansen, the budget/appropriation resolution was unanimously adopted and the Board authorized a mill levy certification of 30 mills for ebt and 10 mills for operations.

Bart Atkinson then described the parcels of land that the developer/property owner wanted to convey to the District. These parcels totaled about 40 acres and consisted of open space, a community center site, ponds, trails, trail head, and future roadway sites. On condition that the District receive the same free and clear of all encumbrances and that the grantor pay the remaining real estate taxes., upon motion made by Bart Atkinson, seconded by Mary Fortey, the Board unanimously agreed to accept title to the properties via special warranty deed.

The meeting was then opened to a continuation of the public hearing with regard to the request by Doug Knox and Mary Knox for exclusion of property from the District. The Board was joined by Doug Knox and his attorney, Jane Fredman. It was noted that this matter had been advertised for public hearing for the April meeting and had been continued to this date and time. The Board incorporated all of the comments from the April hearing into this hearing. After lengthy discussion and the Board wanting to see what the assessed valuation of the property is, upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the Board unanimously agreed to continue the hearing to the February meeting and advised that debt or bonds would not be incurred unless 60 days notice was given to Knox and/or his attorney.

-there is an access easement to serve the 2 lots to the west but this easement goes through Prebble Mouse territory (the parties and Board viewed a copy of the approved Master Plan).

-El Paso County does not seem to have an issue with this one way or the other.

-there is no adverse impact to the ability of the District to provide sufficient and economical service to the rest of the District.

-Red Horse has access and has no need for District roads, water, or security.

-the water for Red Horse was adjudicated separately from that of the District.

-there will be no adverse employment or economic impact.

-Red Horse has its own water and fire protection.

-there is no adverse economic impact on the District, the region or the State or any surrounding area.

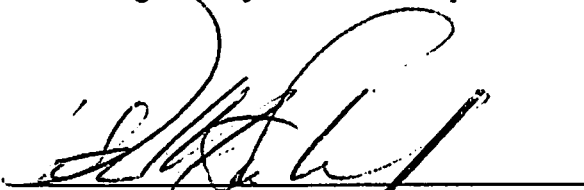
-as part of the contract of purchase, the owners agreed to include this property in the District and allowed for a density transfer to the rest of the Cathedral Pines development. Should the development rights be restored as a result of litigation or settlement, then the property could petition to come back into the District and that if the property were to be developed it probably should be included in the District.

Bart Atkinson pointed out that Cathedral Pines was a prime area for development and that Red Horse benefits from being in the District and that with only one residence there would be significant taxes paid to the District. Charlotte Christiansen pointed out that this could be a risk for the District.

After further discussion with the parties, upon motion made by Mary Fortey, seconded by Alfred Draney, and with the concurrence of Doug Knox and his counsel, the Board unanimously voted to continue this matter indefinitely on the following conditions:

1. that the hearing would reconvene upon thirty days written notice from the Petitioners;
2. that the District would not issue any bonds or other debt without first giving 45 days written notice to the Petitioners; and
3. that the Petitioners request the Board of County Commissioners to vacate the appeal hearing set for April 13, 2006.

There being no further old or new business, the meeting was adjourned at 3:45 p.m.



Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY, APRIL 10, 2006
2:00 P.M.**

Present Board Members: Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Peter M. Susemihl
 Jane Fredman
 Doug Knox

The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

Upon motion made by Bart Atkinson, seconded by Charlotte Christiansen, the minutes of the August 8, 2005 meeting were unanimously adopted and Dan Potter was excused.

Peter Susemihl reported that the May 2, 2006 election had been cancelled and that the nominees were declared to be the elected officials. Alfred Draney's and Charlotte Christiansen's terms would commence May 3, 2006.

The meeting was then opened to a public hearing with regard to the request by Doug Knox and Mary Knox for exclusion of property from the District.. It was noted that this matter had been advertised for public hearing for this date and time.

The meeting was then turned over to Doug Knox and his counsel, Jane Fredman who made the following points:

-the land involved consists of 38 acres and since there had been no response to the petition filed last year, an appeal was taken to the Board of County Commissioners. This property is now owned by Red Horse Hill, LLC.

-the subject real property will not benefit from any of the services provided by the District including roads, landscaping, community center, trails or water augmentation plan.

-there is no reason to keep this property in the District.

-the intent of the District formation was to provide services to the subdivision and Red Horse would not be part of that subdivision and it would be in the best interests of Red Horse that it be excluded.

-the property is presently taxed as agricultural and is used for grazing horses and if taxed at a higher rate, this would be burdensome.

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
REGULAR MEETING
MONDAY, AUGUST 8, 2005
2:00 P.M.**

Present Board Members: Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Peter M. Susemihl

The meeting was called to order by Bart Atkinson. Peter Susemihl acted as secretary.

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

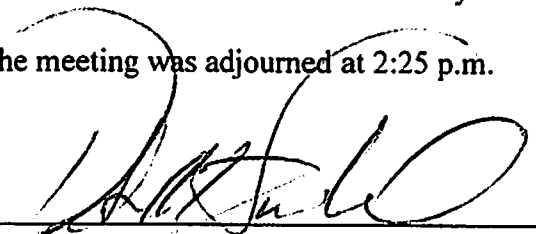
Upon motion made by Bart Atkinson, seconded by Mary Fortey, the minutes of the April 27, 2005 Organizational meeting were unanimously adopted and Dan Potter was excused.

The meeting was then opened to a public hearing with regard to the annexation of the rest of the lands in Cathedral Pines. It was noted that this matter had been readvertised since the last board meeting due to the fact that the full petition had not been signed at the time of the last meeting. Following discussion, the hearing, was closed and upon motion made by Fred Draney, seconded by Mary Fortey, the Board unanimously approved the inclusion of lands and signed the Board Resolution.

Peter Susemihl explained the procedures for amending the Service Plan and the Board agreed to review the same and report any comments to Peter Susemihl by August 15.

Peter Susemihl explained the budgetary process for the certification of a mill levy.

There being no further old or new business, the meeting was adjourned at 2:25 p.m.



Peter M. Susemihl, Acting Secretary

required on each check. Bart Atkinson will apply for a federal tax I.D. number and a Colorado Sales tax exemption certificate.

The Board reaffirmed the engagement of Kirkpatrick Pettis as investment banker/underwriter, the firm of Sherman and Howard, Blake Jordan, as bond counsel, and the firm of Susemihl, McDermott & Cowan, P.C. as District counsel.

There was a general discussion of insurance coverages and Bart Atkinson will look into insurance coverage and costs with present companies that they are doing business with.

The Board determined that it should be a member of the Special District Association (SDA).

The Board reviewed a developer reimbursement agreement and upon motion made by Charlotte Christiansen, seconded by Bart Atkinson, the Board unanimously approved the Agreement. Dan Potter abstained.

The meeting was then opened to a public hearing with regard to the annexation of the rest of the lands in Cathedral Pines. Following discussion, the hearing, was closed and upon motion made by Dan Potter, seconded by Bart Atkinson, the Board unanimously approved the inclusion of lands.

A general discussion then ensued with Tom Bishop, from Kirkpatrick Pettis with regard to a financial plan for the District and proposed bond issues.

There being no further old or new business, the meeting was adjourned at 10:40 a.m.

Peter M. Susemihl, Acting Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
BOARD MINUTES
ORGANIZATIONAL MEETING
WEDNESDAY APRIL 27, 2005
9:00 A.M.**

Present Board Members: Dan Potter
 Bart Atkinson
 Mary Fortey
 Charlotte Christiansen
 Alfred Draney

Also Present: Tom Bishop
 Peter M. Susemihl

It was noted that oaths of office had been previously administered and filed with the Court and Division of Local Government. It was also noted that the District was formed pursuant to a Court Order and Decree recorded November 16, 2004. Surety bonds had also been filed on each board member.

The Board proceeded to an election of officers and the following were unanimously elected:

Bart Atkinson	President
Charlotte Christiansen	Vice-President
Alfred Draney	Secretary-Treasurer
Mary Fortey	Assistant Secretary
Peter M. Susemihl	Assistant Secretary

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

The Board determined that members should be compensated for attendance at the statutory rate.

The Board decided that regular meetings should be held the 2nd Monday of each month at this address at 2:00 p.m. Peter Susemihl will prepare the notice.

It was determined that no conflict of interest statements need be filed at this time.

Peter Susemihl explained various matters to the Board such as Open Meeting Laws, Sunshine Laws, inclusions, the amended service plan, and district liability.

The Board determined that American National would be the official bank of the District and that all board members would be authorized to sign checks with 2 signatures being