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 WHITE BEAR ANKELE TANAKA & WALDRON
 2154 East Commons Avenue, Suite 2000
 Centennial, Colorado 80122

Resolution No. 2021-02-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE METROPOLITAN DISTRICT NO. 1

CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, PENALTIES AND CHARGES

WHEREAS, the Cascade Metropolitan District No. 1 (the “**District**”) was formed pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”), by order of the District Court for El Paso 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, 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 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 (collectively, the “**Fees and Charges**”); and

WHEREAS, the District was the provider of water services to residents and owners within and outside of the District’s boundaries; and

WHEREAS, on June 9, 2015, the District issued bonds in the form of the *Water Enterprise Revenue Refunding and Improvement Bonds, Series 2015A and Series 2015B* (collectively, the “**Bonds**”) and

WHEREAS, the District utilized the Bonds to improve the District’s water distribution system, reduce water losses and to meet the construction standards required by Colorado Springs Utilities; and

WHEREAS, the current outstanding amount on the Bonds is approximately \$4,805,000; and

WHEREAS, the District’s water distribution system was converted to Colorado Springs Utilities on December 1, 2020 (the “**Conversion**”); and

WHEREAS, the District did not dissolve with the Conversion and will not be permitted to do so until such time as the debt incurred for the required improvements to the infrastructure has been repaid in full; and

WHEREAS, to repay the debt, and for ongoing administration functions necessary to remain in compliance with Colorado law, the District is required to continue to impose and collect ongoing monthly debt service fees (the “**Debt Service Fee**”) and monthly administrative fees (the “**Administrative Fee**”); and

WHEREAS, pursuant to § 32-1-1001(2), C.R.S., the Board, as a governing body that previously furnished domestic water or sanitary sewer services directly to residents and property owners within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, pursuant to § 32-1-1001(2)(a)(IV), C.R.S., on January 19, 2021, the Board provided the required (30) days’ notice by posting the notice on the official website of the Colorado Special District Association, the statewide association of special districts forms pursuant to § 29-1-401, C.R.S., which association posted the notice of a publicly accessible section of its website; and

WHEREAS, on March 22, 2016, the Board adopted Resolution No. 2016-03-01: Resolution of the Board of Directors of Cascade Metropolitan District No. 1 Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities, which was recorded in the real property records of the El Paso County Clerk and Recorder’s Office on March 29, 2016, at Reception No. 216031243 (the “**Prior Fee Resolution**”), and the Board desires to adopt this Resolution to amend, restate and supersede the Prior Fee Resolution in its entirety; and

WHEREAS, the Board wishes to reiterate that any fees, rates, tolls, penalties or charges due under the Prior Fee Resolution, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated by this Resolution.

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:

“**Account User Fee**” means the fee incurred by the District due to actions of residents or owners that is charged back to that particular resident or owner.

“**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 well as properties outside of the District’s legal boundaries which receive service from the District, all 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 fees are due, which Due Date is reflected on the Schedule of Fees.

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

“**Fee Schedule**” or “**Schedule of Fees and Charges**” 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 parcel of land established by a recorded final subdivision plat and which is located within the District Boundaries.

“**Out of District Boundaries**” means any property located outside the District Boundaries for which water service was provided by the District.

“**Property Owner**” shall include all owners of real property, customers, users, residents, leaseholders and other recipients of District services.

“**Residential Unit**” means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit and detached single family dwelling units) located within the District Boundaries which has been Transferred to an End User.

“**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.

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

2. **THE FEES AND CHARGES.**

a. **Fees and Charges.** The Board has determined, and does hereby determine, that it is in the best interests of the District and its respective residents, users and property owners to impose, and does hereby impose the Fees and Charges set forth in the Schedule of Fees. The Fees and Charges are hereby established and imposed in an amount as set forth by the District from time to time pursuant to an annual “Fee Schedule” and shall constitute the rate in effect until such schedule is amended or repealed. The initial Fee Schedule is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

b. **Transfer Payment.** The Fees shall include a separate payment imposed on transfers of a Residential Unit or a Commercial Unit (the “**Transfer Payment**”). The Transfer Payment shall be imposed on all Transfers of a Residential Unit and Commercial Unit by an End User. The Transfer Payment shall not apply to any of the following, except to the extent the District determines that such exception is being undertaken for the purpose of improperly avoiding the Fees and Charges:

i. Any Transfer wherein the United States, or any agency or instrumentality thereof, the State of Colorado, any county, city and county, municipality, district or other political subdivisions of this State, is either the grantor or the grantee.

ii. Any Transfer by document, decree or agreement partitioning, terminating or evidencing termination of a joint tenancy, tenancy in common or other co-ownership; however, if additional consideration or value is paid in connection with such partition or termination the Transfer Payment shall apply and be based upon such additional consideration.

iii. Any Transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

iv. Any Transfer made and delivered without consideration for the purpose of: confirming, correcting, modifying or supplementing a Transfer previously made; making minor boundary adjustments; removing clouds of title; or granting easements, rights-of-way or licenses.

v. Any decree or order of a court of record quieting, determining or resting title, except for a decree of foreclosure.

vi. Transfers to secure a debt or other obligation, or releases other than by foreclosure, which is security for a debt or other obligation.

vii. Transfers pursuant to a decree or separation of divorce.

c. The Board has determined, and does hereby determine, that the Fees and Charges are reasonably related to the overall cost of repaying the Bonds and for administrative purposes.

3. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Fees and Charges 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 Fees and Charges, 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 property owner 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 shall be made by check or equivalent form acceptable to the District, made payable to "**Cascade Metropolitan District No. 1**" 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 hereunder, 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 El Paso County, Colorado.

6. CERTIFICATION OF ACCOUNT TO COUNTY TREASURER. Pursuant to §32-1-1101(1)(e), C.R.S., the Board may elect to certify any delinquent account and late fees satisfying the criteria established therein to the El Paso County Treasurer for collection with *ad valorem* property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and El Paso County policy.

7. 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.

8. THE PROPERTY. This Resolution shall apply to all property within the District's 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. OUTSTANDING FEES AND CHARGES UNDER PRIOR FEE RESOLUTION. Any fees, rates, tolls, penalties or charges due under the Prior Fee Resolution, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

10. EFFECTIVE DATE. This Resolution shall become effective as of February 23, 2021.

[Remainder of Page Intentionally Left Blank. Signature Page to Follow].

ADOPTED this 23rd day of February 2021.

CASCADE METROPOLITAN DISTRICT NO. 1,
a quasi-municipal corporation and political
subdivision of the State of Colorado

DocuSigned by:
michael whittemore
9E88ECF0EED74B4

Officer of the District

ATTEST:

DocuSigned by:
Michael J. Olsen
93E8835FDB0447A

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

DocuSigned by:
Heather Hartung
BF8B148B6F4A4F2

General Counsel to the District

*Signature Page to Resolution Concerning the Imposition of Various Fees and Charges, February
23, 2021*

EXHIBIT A
Schedule of Fees and Charges
Adopted and Effective February 23, 2021

MONTHLY DEBT SERVICE FEE: \$81.16

MONTHLY ADMINISTRATIVE FEE: \$8.34

The Due Date for the monthly Debt Service Fee and monthly Administrative Fee, a total of \$89.50, is the last day of the month following the month for which the Debt Service Fee and Administrative Fee are billed.

ACCOUNT USER FEE Cost to District

The Due Date for the Account User Fee is fifteen (15) days from the date invoiced.

TRANSFER FEE \$100.00/Transfer

The Due Date for the Transfer Fee is at closing or within fifteen (15) days from the Transfer, whichever occurs first.

PAYMENTS: Payment for each of the Fees and Charges shall be made payable to the Cascade Metropolitan District No. 1 and sent to the following address for receipt by the Due Date:

Cascade Metropolitan District No. 1
Post Office Box 1479
Colorado Springs, Colorado 80901

EXHIBIT B

CASCADE METROPOLITAN DISTRICT NO. 1

District Boundaries

