

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

**JOINT RESOLUTION OF THE
BOARD OF DIRECTORS
OF THE
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1
AND
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2**

**CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, PENALTIES AND
CHARGES FOR WATER SERVICES AND FACILITIES**

WHEREAS, the Saddlehorn Ranch Metropolitan District No. 1 (“**District No. 1**”) and Saddlehorn Ranch Metropolitan District No. 2 (“**District No. 2**”) (collectively, the “**Districts**”) were formed pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”), by orders of the District Court for El Paso County, Colorado, and after approval of the Districts’ eligible electors at an election; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Boards of Directors of the Districts (collectively, the “**Boards**”) shall have the management, control and supervision of all the business and affairs of the Districts; and

WHEREAS, the Boards have determined it to be in the best interests of the Districts, and the property owners, taxpayers, and residents of the Districts, to acquire, operate, and maintain certain amenities and facilities benefitting property and inhabitants within the Districts, which amenities and facilities generally include water improvements, facilities, appurtenances and rights-of-way (collectively, the “**Facilities**”); and

WHEREAS, the Boards have determined it to be in the best interests of the Districts, and the property owners, taxpayers, and residents of the Districts, to provide certain water services to property and inhabitants within and without the boundaries of District No. 2 (collectively, the “**Services**”); and

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

WHEREAS, the Districts incur certain direct and indirect costs associated with the acquisition, repair, replacement, improvement, reconstruction operation and maintenance of the Facilities, as necessary, inclusive of the costs of utilities and capital replacement costs (collectively, the “**Facility Costs**”) in order that the Facilities may be properly provided and maintained; and

WHEREAS, the Districts incurs certain direct and indirect costs associated with the provision of the Services in order that the Services may be properly provided, the property within

and without the Districts maintained, and that the health, safety and welfare of the Districts, its users and its inhabitants may be safeguarded (collectively, the “**Service Costs**”); and

WHEREAS, the establishment and continuation of fair and equitable fees and charges (collectively, the “**Fees and Charges**”) to provide a source of funding to pay for the Facility Costs and the Service Costs, (collectively, the “**Costs**”), which Costs are generally attributable to the persons and/or properties subject to such Fees and Charges, is necessary to provide for the common good and for the prosperity and general welfare of the Districts and its inhabitants and for the orderly and uniform administration of the Districts’ affairs; and

WHEREAS, District No. 1 will impose and collect the Fees and Charges on behalf of District No. 2; and

WHEREAS, pursuant to § 32-1-1001(2), C.R.S., the Boards, as a governing bodies furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside of the Districts, 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)(III), C.R.S., on November 8, 2022, the Board provided the required thirty (30) days’ notice to the residents and property owners within and outside of the Districts by posting the information on the official website of the Districts, a link to which is on the official website of the Division of Local Government; and

WHEREAS, the Districts find that the Fees and Charges, as set forth in this Resolution, are reasonably related to the overall cost of providing the Facilities and Services and paying the Costs, and that imposition thereof is necessary and appropriate.

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:

“**District Boundaries**” means the legal boundaries of the Districts, 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 Districts’ legal boundaries which receive service from the Districts, 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 the Fees and Charges 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. 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.

“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 Districts established by a recorded final subdivision plat, but specifically excluding any parcel upon which one or more Residential Units are situated and specifically excluding any parcel owned by the Districts.

2. THE FEES AND CHARGES.

a. Service Fees and Charges. The Boards have determined, and do hereby determine, that it is in the best interests of the Districts and their respective residents, users and property owners to impose, and does hereby impose the Fees and Charges set forth in the Schedule of Fees and Charges to fund the Costs. The Fees and Charges are hereby established and imposed in an amount as set forth by the Districts 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 (the **“Transfer Payment”**). The Transfer Payment shall be imposed on all Transfers of a Residential Unit by an End User. The Transfer Payment shall not apply to any of the following, except to the extent the Districts determine 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 Boards have determined, and do hereby determine, that the Fees and Charges are reasonably related to the overall cost of providing the Facilities and Services and is imposed on those who are reasonably likely to benefit from or use the Facilities and Services.

d. The revenues generated by the Fees and Charges will be accounted for separately from other revenues of the Districts, specifically *ad valorem* property tax revenues, if applicable. The revenue from Fees and Charges will be used solely for the purpose of paying Costs, and, if *ad valorem* property tax revenues are available, may not be used by the Districts to pay for general administrative costs of the Districts. This restriction on the use of the Fees and Charges revenue shall be absolute and without qualification.

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 Districts 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 Districts 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 Districts, made payable to "Saddlehorn Ranch Metropolitan District No. 1" and sent to the address indicated on the Fee Schedule. The Districts 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 Districts, in their 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 Boards may elect to certify any delinquent account and late fees satisfying the criteria established therein to the El Paso County Treasurer for collection with the Districts' *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 Boards' sole discretion. The fees for the certification process shall be in accordance with Colorado law and El Paso County policy.

7. SHUT OFF OR DISCONTINUATION OF SERVICE. Pursuant to § 32-1-1006(1)(d), C.R.S., the Boards may elect to shut off or discontinue water service for delinquencies. The shut off or discontinuation of service may be in addition to or in lieu of any procedures set forth in this Resolution in the Boards' sole discretion. The fees associated with the shut off or discontinuation of service as set forth in the Schedule of Fees and Charges.

8. 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.

9. THE PROPERTY. This Resolution shall apply to all property within the District Boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, and any additional property included into the Districts after the date of this Resolution.

10. EFFECTIVE DATE. This Resolution shall become effective as of December 9, 2022.

ADOPTED DECEMBER 9, 2022.

SADDLEHORN RANCH METROPOLITAN
DISTRICT NOS. 1 & 2, quasi-municipal
corporations and political subdivisions of the State of
Colorado

Bill Guman

[Bill Guman \(Dec 20, 2022 15:31 MST\)](#)

Officer of the Districts

ATTEST:

Jeffrey Book

[Jeffrey Book \(Dec 22, 2022 15:45 MST\)](#)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

Blair Dickhoner

General Counsel to the Districts

*Signature Page to Joint Resolution Concerning the Imposition of Various Fees and Charges for
Water Services and Facilities*

EXHIBIT A
SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1 & 2
Schedule of Fees and Charges
Effective December 9, 2022

Schedule of Fees and Charges		
Fee Type	Classifications	Monthly Rate
Fees and Charges – Recurring Payment	Residential Unit	\$50.00 flat rate 1st-5,000 th gallon \$6.00 per 1,000 gallons 5,000+ gallons \$8.50 per 1,000 gallons
	Vacant Lot	\$ 50.00 /month
The Due Date for each Fees and Charges is the 15 th day of each month.		
Fees and Charges – Payment Due Upon a Transfer	Residential Unit	\$ TBD per Transfer
	Vacant Lot	\$ TBD per Transfer
The Due Date for each Fees and Charges—Payment Due Upon Transfer is the date upon which the Transfer occurs.		

PAYMENTS: Payment for each fee shall be made payable to the Saddlehorn Ranch Metropolitan District No. 1 and sent to the following address for receipt by the Due Date:

Saddlehorn Ranch Metropolitan District No. 1
c/o Walker Schooler District Managers
614 N. Tejon Street
Colorado Springs, CO 80903

EXHIBIT B

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

District Boundaries

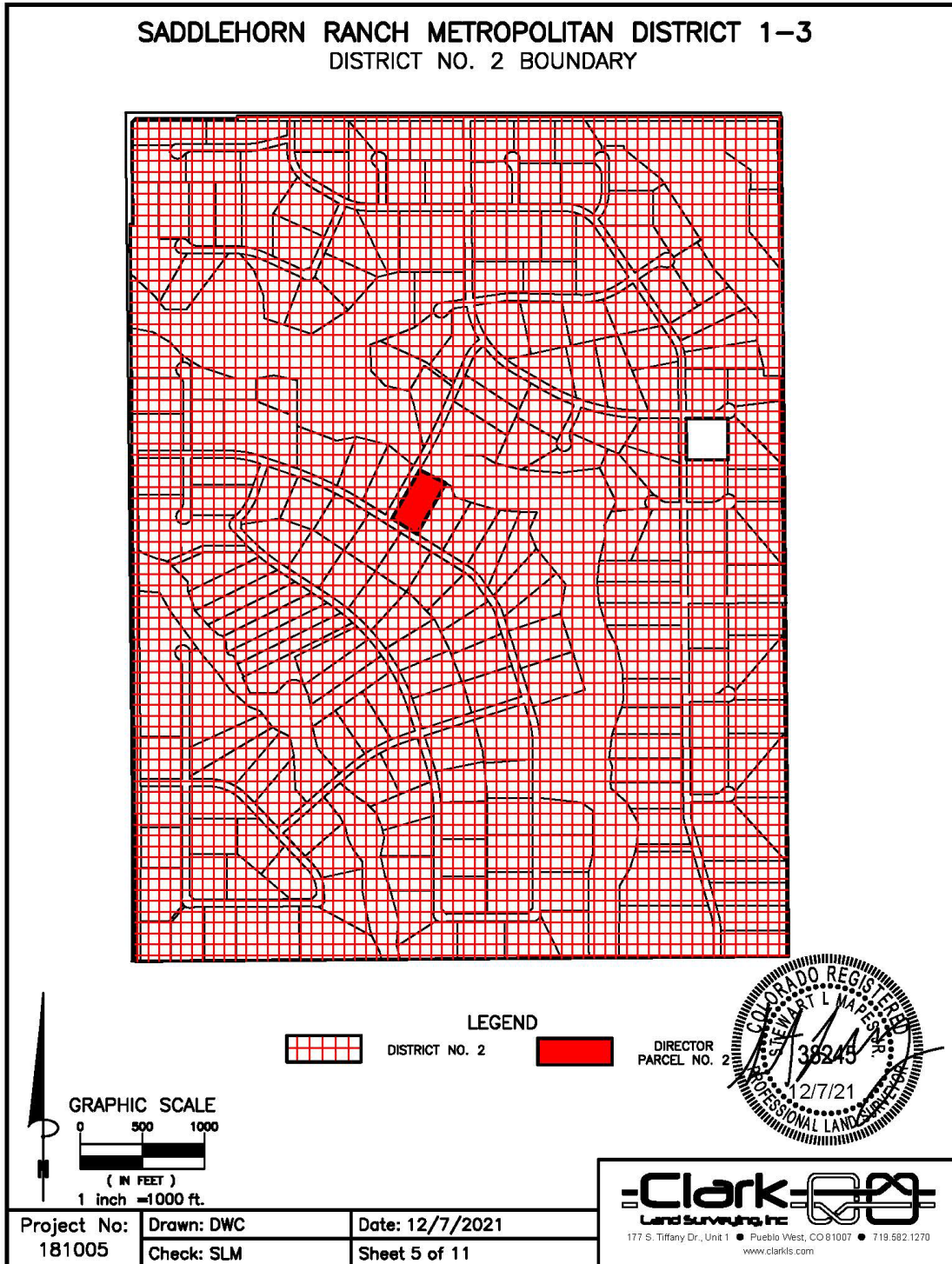


EXHIBIT B
DISTRICT BOUNDARY 2

December 7, 2021

A parcel of land located in Section 3 and Section 10, Township 13 South, Range 64 West of the 6th P.M., El Paso County, Colorado, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 3; thence along the north line of said Section 3, N89°59'23"W (Basis of bearings is the North line of Section 3, Township 13 South, Range 64 West of the 6th Principal Meridian, monumented at the West end by a No. 6 Rebar with a 3-1/4" aluminum cap, properly marked, in a monument box, "PLS 17496" and at the East end by a No. 6 rebar with a 3-1/2" aluminum cap, properly marked, in a monument box, "PLS 17496", having a measured bearing and distance of S89°59'23"E, 5275.26'. Bearings are relative to Colorado State Plane Central Zone (0502)), a distance of 78.90 feet; thence leaving said North line of Section 3 at a right angle, S00°00'37"W, a distance of 50.00 feet to the South right-of-way line of Judge Orr Road and to the **POINT OF BEGINNING**; thence along said South right-of-way line, S89°59'23"E, a distance of 822.24 feet; thence continuing along said South right-of-way line, N00°00'37"E, a distance of 20.00 feet; thence continuing along said South right-of-way line S89°59'23"E, a distance of 4374.49 feet to a point on the East line of said Section 3; thence leaving said South right-of-way line, along said East line, S00°42'27"E, a distance of 5,435.28 feet to the Northeast corner of said Section 10; thence along the East line of said Section 10, S00°19'53"W, a distance of 1320.51 feet to the North 1/16 corner of said section 10 and section 11; thence along the south line of the North 1/2 of the North 1/2 of said Section 10, S89°34'02"W, a distance of 2642.78 feet; thence S89°34'07"W, a distance of 2612.73 feet, to a point being distant, N89°34'07"E, 30.00 feet from the N1/16 corner of said Section 10 and Section 9 of said Township and Range; thence N00°05'52"E, a distance of 1319.15 feet, to a point being distant N89°33'13"E, 30.00 feet from the Northwest corner of said Section 10, also being the Southwest corner of said Section 3; thence N00°32'28"W, a distance of 4608.42 feet; thence N89°27'32"E, a distance of 19.98 feet; thence N00°32'28"W, a distance of 820.00 feet; thence N44°46'13"E, a distance of 40.00 feet to the **POINT OF BEGINNING**.

Containing 35,534,471 S.F. or 815.759 acres, more or less.

