

WOODMEN HILLS METROPOLITAN DISTRICT

RESOLUTION NO. 1

Imposition of Park and Recreation Fees

WHEREAS, Woodmen Hills 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 of the Colorado Revised Statutes ("CRS"); and

WHEREAS, the District is situated in El Paso County, Colorado as more fully described in the legal description attached hereto as Exhibit A; and

WHEREAS, pursuant to a resolution adopted on September 18, 1997 (the "Enterprise Resolution"), the District has established the operation of its park and recreational facilities and funds as a Recreational Facilities Enterprise (the "Enterprise") within the meaning of Article X, Section 20 of the Colorado Constitution; and


WHEREAS, pursuant to the Enterprise Resolution, among other provisions set forth therein, the Enterprise has no authority to levy or collect or use in its operations, taxes, whether sales taxes, use taxes or ad valorem taxes; and

WHEREAS, the Board of Directors (the "Board") of the District is acting hereunder as the governing body of the Enterprise; and

WHEREAS, the Enterprise is a government-owned business which is authorized to issue its own revenue bonds and receives under 10% of its annual revenue in grants from all Colorado state and local governments combined; and

WHEREAS, in order to acquire certain recreational facilities, consisting of a clubhouse, swimming pool and the site thereof, for purposes of the Enterprise (the "Property"), the Board, for and on behalf of the Enterprise, will enter into an Installment Purchase Agreement dated as of September 15, 1997 (the "Installment Purchase Agreement") with Falcon Properties and Investments, LLP (the "Partnership") pursuant to which the District will purchase the Property from the Partnership for the sum of \$900,000, plus interest on the unpaid balance thereof at the rate of 8.00% per annum, over a period of 20 years, all as further provided in the Installment Purchase Agreement; and

WHEREAS, to generate the revenues needed by the District to acquire, provide, maintain and repair the Property, the District is desirous of adopting a fee structure for the residents of the District; and

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WHEREAS, it is anticipated that certain parcels of land in the District will be owned for an indefinite period of time by the Partnership, as the primary landowner and developer in the District, while other parcels will be owned by third parties upon which may be built improvements primarily as personal residences and some may be owned by one or more governmental entities; and

WHEREAS, the adoption of services and facilities rates in the form of a Park and Recreation Fee will serve a public purpose and promote the health, safety and general welfare of the District by providing for the orderly payment of the District's costs of acquisition, operation, maintenance and repair of the Property; and

WHEREAS, the District Board of Directors finds that such a Park and Recreation Fee is authorized by CRS § 32-1-1001(1)(j).

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

Section 1. The Board of Directors hereby finds, determines and declares the necessity of providing for the orderly payment of the District's costs of acquisition, operation, maintenance and repair of the Property and the full satisfaction of the District's obligations incurred under the Installment Purchase Agreement for acquisition of the Property, all to insure the health, safety and welfare of the inhabitants of the District.

Section 2. The following words and phrases used herein shall have the following meanings:

"Enterprise Fund" means the fund of the District established and maintained by the District for the deposit of all Park and Recreation Fees and other moneys collected in respect of the Enterprise, and from which the Operation and Maintenance Expenses of the Enterprise and the Installment Payments are to be paid.

"Fee Resolution" means this resolution of the District under which the District is imposing the Park and Recreation Fee.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Enterprise in any particular Fiscal Year or period to which such term is applicable, paid or accrued, for operating, maintaining and repairing the Recreational Facilities, including: annual lease payments due and payable under all present and future lease agreements with respect to facilities and equipment for the Recreational Facilities, legal and overhead expenses of the Enterprise directly related to the administration of the Recreational Facilities, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor expenses and the cost of materials and supplies for current operation, all to the extent properly allocable to the Recreational Facilities; but not including, depreciation or obsolescence charges or reserves therefor, legal liabilities not based on contract, the cost of capital improvements or interest

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charges and charges for the payment of principal or amortization of bonded or other indebtedness, including amounts payable under this Installment Purchase Agreement.

Section 3. Pursuant to CRS §32-1-1001(1)(j), there shall be assessed and charged a Park and Recreation Fee for the Property, other facilities and services furnished by the District, as follows:

(a) All land in the District shall be classified as "Unplatted Residential," "Platted Residential," "Finished Homes (other than homes owned by builders and held for sale to others)" and "Other."

(b) Monthly fees, due and payable on the 1st day of each month, beginning October 1, 1997, shall be imposed as follows:

Unplatted Residential Property:	\$ 6.25 per permitted dwelling unit
Platted Residential Property:	\$25.00 per permitted dwelling unit
Finished Homes:	\$35.00 per dwelling unit
Other Property:	\$ -0-

(c) Unplatted Residential Property shall be assessed Park and Recreation Fees on the basis of the maximum density of dwelling units per acre permitted for the property by the Sketch Plan for the Woodmen Hills Subdivision approved by the El Paso County Board of Commissioners on July 10, 1995, as the same may be amended from time to time; and Platted Residential Property shall be assessed Park and Recreation Fees on the basis of the maximum density of dwelling units per acre permitted for the property by the approved plat for the property.

(d) The Park and Recreation Fee rates set forth above shall be effective immediately, and shall continue in effect until the District, subject to paragraph 8 hereof, repeals or amends this Fee Resolution.

Section 4. The Park and Recreation Fee shall be a perpetual charge and lien upon all the property in the District upon which the fees have been imposed from the date the same becomes due and payable until paid, and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

Section 5. This Fee Resolution shall be recorded in the records of the Clerk and Recorder of the County of El Paso, Colorado in order to provide record notice of the District's lien to all persons or entities purchasing property within the District.

Section 6. All bylaws, orders, resolutions or parts thereof inconsistent with this Fee 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.

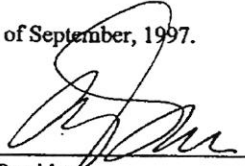
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Section 7. This Fee Resolution, immediately on its adoption, shall be authenticated by the signatures of the President and the Secretary of the District and recorded in the District book of resolutions kept for that purpose.

Section 8. This Fee Resolution shall take effect and be in full force from and after its adoption by the Board and shall be and remain irrevocable until all the obligations of the District under the Installment Purchase Agreement shall have been fully paid, canceled and discharged.

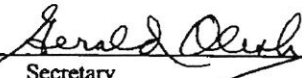
ADOPTED AND APPROVED this 18th day of September, 1997.

(SEAL)



President

Attest:



Secretary

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LEGAL DESCRIPTION

PARCEL A:

(1,180 acres)

The Southwest quarter of the Southeast quarter of Section 1 in Township 13 South, Range 65 West of the 6th P.M.

PARCEL B:

Lots 1 and 2 of the Northeast quarter of Section 1 in Township 13 South, Range 65 West of the 6th P.M., except that portion thereof conveyed to El Paso County for public highway by deed recorded July 17, 1915, in Book 441 at Page 350 under Reception No. 223993.

PARCEL C:

The Southeast quarter of Section 36 in Township 12 South, Range 65 West of the 6th P.M.

PARCEL D:

The South half of Lot 2 of the Southwest quarter of Section 31 in Township 12 South, Range 64 West of the 6th P.M., except the West 30 feet thereof conveyed to El Paso County for public highway by deed recorded in Book 441 at Page 350 under Reception No. 223993;

Lots 4 and 5 of the Northwest quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M., except the West 30 feet thereof conveyed to El Paso County for public highway by deed recorded in Book 441 at Page 350 under Reception No. 223993;

The Southeast quarter of the Northwest quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M.

PARCEL E:

Lots 6 and 7 of the Southwest quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M., except 5 acres in square form in the Southwest corner of said Lot 7 and except the West 30 feet of said Lots 6 and 7 conveyed to El Paso County for public highway by deed recorded in Book 441 at Page 350 under Reception No. 223993.

PARCEL F:

The Southeast quarter of the Southwest quarter and the Southwest quarter of the Southeast quarter of Section 31 in Township 12 South, Range 64 West of the 6th P.M.;

Lots 2 and 3 of the North half of Section 6 in Township 13 South, Range 64 West of the 6th P.M.

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PARCEL G:

The East half of the Southeast quarter of Section 31 and the West half of the Southwest quarter of Section 32 in Township 12 South, Range 64 West of the 6th P.M.

PARCEL H:

The Southwest quarter of the Northeast quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M.

PARCEL I:

The East half of the Northeast quarter and that portion of the East half of the Southeast quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M. lying North and West of the right of way of the Chicago, Rock Island and Pacific Railway Company.

PARCEL J:

The East half of the Southwest quarter and that portion of the West half of the Southeast quarter of Section 6 in Township 13 South, Range 64 West of the 6th P.M. lying North and West of the right of way of the Chicago, Rock Island and Pacific Railway Company.

PARCEL K:

That portion of the Northeast quarter of the Northwest quarter of Section 7 in Township 13 South, Range 64 West of the 6th P.M. lying North and West of the right of way of the Chicago, Rock Island and Pacific Railway Company;

The unplatted portions of the West half of the Northwest quarter of Section 7 in Township 13 South, Range 64 West of the 6th P.M. lying Northwest of the right of way of the Chicago, Rock Island and Pacific Railway Company;

Lots 1 to 31 inclusive, in Block 11; Lots 1 to 24 inclusive, and Lots 26 to 34 inclusive, in Block 12; Lots 1 to 19 inclusive, and Lots 21 to 24 inclusive in Block 17; Lots 1 to 12 inclusive, and Lots 18 to 24 inclusive, in Block 18; all of Blocks 8 and 16, all in the Town of Falcon, according to the plat thereof recorded in Plat Book B at Page 37, in El Paso County, Colorado.

That part of the West half of the Northwest quarter of Section 7 in Township 13 South, Range 64 West of the 6th P.M. and of the East half of the Northeast quarter of Section 12 in Township 13 South, Range 65 West of the 6th P.M., in the Town of Falcon, described as follows: Beginning at a point in the Northwest quarter of the Northwest quarter of said Section 7, whence the Northwest corner of

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said Section 7 bears North 14° 04' West 1061.8 feet, and running thence South 39° 30' East 480 feet to a point, thence South 50° 30' West 560 feet to a point, thence North 39° 30' West 480 feet to a point, thence North 50° 30' East 560 feet to the place of beginning, said tract being designated on the plat of the Town of Falcon as Falcon Park and those portions of Third Street and Fourth Street and Chicago Avenue adjacent thereto.

Those portions of Blocks 4, 9 and 10 in the Town of Falcon and all that portion of the Northwest quarter of the Northwest quarter of Section 7 in Township 13 South, Range 64 West of the 6th P.M. shown as the Denver, Texas and Fort Worth Railroad (D. T. & FT. W. R. R.) on the plat of the Town of Falcon lying Easterly of the following described line: Commence at the most Northerly corner of Block 19 as platted in said Town of Falcon, thence Northwesterly along the Northeasterly line of said Block 19 extended Northwesterly and along the Northeasterly line of Block 13 and said line extended Northwesterly a distance of 560 feet to a point (being the most Easterly corner of that certain 100 foot strip, designated on the Plat of the Town of Falcon, Southeasterly from and adjacent to the right of way of the Denver, Texas and Fort Worth Railroad, Southwest of Fourth Street and Northwest of that portion of Forth Worth Avenue adjacent to Blocks 13, 14 and 15 in the Town of Falcon), thence angle 82° 42' right 328.56 feet; thence angle 20° 00' left 530.73 feet to a point of curvature; thence angle 31° 21' left and run a chord distance of 312.16 feet of a curve to the left having a central angle of 62° 42' and a radius of 300.0 feet and an arc length of 328.30 feet to a point on the Northeasterly line of Block 4, which point is 259.16 feet Southeasterly of the intersection of the Northeasterly line of Block 1 in the Town of Falcon with the West line of Section 7, Township 13 South, Range 64 West of the 6th P.M. thence Northwesterly 259.16 feet to said intersection, thence North to the Northwest corner of said section 7; together with Lots 13, 14, 15, 16, and 17, Block 18, Falcon, and Lot 20, Block 17, The Town of Falcon;

All in El Paso County, Colorado.

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