

**RESOLUTION
OF THE MOUNTAIN VALLEY HOMEOWNER'S ASSOCIATION
PITKIN COUNTY, COLORADO**

WHEREAS, electrical service to Mountain Valley, including to all of the Mountain Valley lots as well as to the water pump on the upper level of Mountain Valley is delivered by Holy Cross Energy via above-ground wires elevated on wood poles; those power lines and poles are situated throughout much of the subdivision; and

WHEREAS, the presence of those above-ground power lines and poles in the hillside wooded area comprising the Mountain Valley territory is a serious fire hazard in at least two respects: (1) as a source of fire ignition whenever power lines are broken by animals, birds, severe weather or failure of materials, and (2) as an unreliable sole source of power to the upper water pump that can be critical in fighting brush fires and fires in homes;

WHEREAS, Mountain Valley is designated as a high fire risk area, and is especially vulnerable to brush fires as well as home fires in drought conditions due to our wooded hillside on which dead leaf and tree material is available as tinder and fuel for fires; and

WHEREAS, it is in the best interests of the Lot Owners and residents of Mountain Valley to eliminate the powerline fire hazards and to improve the reliability of power to the upper water pump by burying the power lines underground; and

WHEREAS, in an unusual commitment, Holy Cross Energy has committed to participate in the expenses of burying conduit and installing new power lines underground (the "Powerline Project"), but the burial of the power lines requires a major part of the Project cost to be provided by the landowners of Mountain Valley (the "Lot Owners") for excavation and burial work; and

WHEREAS, the costs of the Powerline Project cannot now be known or accurately projected until significant work is done on planning and engineering and on securing bids; and

WHEREAS, every effort has been made, in conjunction with Holy Cross Energy and local contractors, to estimate a reasonable Project budget with reserves; which has yielded a tentative estimate of \$2,000,000 as the Lot Owners' share of the Project cost; and


WHEREAS, it is necessary and in the interest of Mountain Valley and of all of its current and future Lot Owners to raise the \$2,000,000 now anticipated to be required by a special assessment on all 133 Mountain Valley Lots to be paid over a period of 15 years (rather than a large one-time payment) and, as may be feasible, to finance the total \$2,000,000 cost with a loan or loans to facilitate this 15-year installment plan; NOW THEREFORE

BE IT RESOLVED BY THE MOUNTAIN VALLEY HOMEOWNERS ASSOCIATION, as follows:

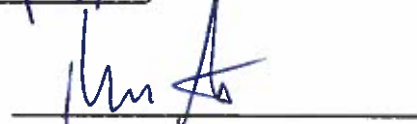
1. A special assessment of \$2,000,000, to be borne equally by the 133 Mountain Valley ownership Lots, and to be paid in installments over 15 years, is hereby imposed;
2. The special assessment shall be payable (by each of the 79 single unit Lot Owners and each of the 54 duplex unit Lot Owners) in annual installments of \$1,500 on January 2 of each of the years 2022 through and including 2036;
3. Special assessment Installments that are not timely paid shall bear interest of 5.0% per annum commencing 90 days after the installment was due and until paid in full;
4. Special assessment payments received by the Association, and any contributions to the Project costs from other sources, if any, shall be held in a Powerline Project escrow account separate from the MVHOA treasury, and shall be used solely for the Project, including payment of principal and interest of any loan to the Association for the Project, and the reasonable costs of collection of this special assessment;
5. The Board of Directors is authorized to borrow up to \$2,000,000 from a bank or private lenders to finance the Lot Owners' share of the Powerline Project costs;
6. The Board of Directors is hereby directed to review the progress and costs of the Powerline Project each year of the Project work and at its completion or other end; and shall report its findings at each Annual Meeting of the Association;
7. The Board's reports to the Owners shall include its findings as to (i) amounts spent and estimated costs remaining or anticipated of the Powerline Project, (ii) the status of the Powerline Escrow Account and any financing for the Project; (iii) receipts of funds for the Project from other sources; (iv) the Board's opinion of whether or not the full amount of this special assessment is necessary to pay the anticipated remaining Project and Project-financing costs; and (v) whether or not it is then prudent to reduce this special assessment by reducing the number of installments.
8. Upon such report to the Association, if the Board finds that some special assessment funds are no longer needed for the Project, the Board may suspend some or all later installments of this special assessment as may be prudent; and after the completion or end of the Project shall direct refunds of any remaining excess funds on an equal basis to all Lot Owners whose special assessments have been fully paid to such date.

Adopted by the Lot Owners this 5 day of August, 2021:

ATTEST:



President



Secretary