

**RESOLUTION OF THE BOARDS OF DIRECTORS OF
CITY CENTER WEST RESIDENTIAL METROPOLITAN DISTRICT NO. 2
CONCERNING THE IMPOSITION
OF DISTRICT SERVICE FEES INCLUDING OPERATIONS AND MAINTENANCE,
COVENANT ENFORCEMENT, ARCHITECTURAL REVIEW**

THIS RESOLUTION CONCERNING THE IMPOSITION OF DISTRICT SERVICE FEES INCLUDING OPERATIONS AND MAINTENANCE, COVENANT ENFORCEMENT, AND ARCHITECTURAL REVIEW (the “Resolution”) is made and entered into by the City Center West Residential Metropolitan District No. 2 (the “District”) to be effective as of the 21st day of November, 2022.

WHEREAS, the District is authorized pursuant to §32-1-1001(1)(j)(I) of the Colorado Revised Statutes (“C.R.S.”), to fix and impose fees, rates, tolls, charges and penalties for services, programs or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Service Plan for the City Center West Residential Metropolitan District No. 2 (the “Service Plan”) similarly empowers the District to impose fees, rates, tolls, charges and penalties for services and facilities provided by the District; and

WHEREAS, pursuant to §32-1-1004(8), C.R.S., the District is authorized and empowered to provide covenant enforcement and design review services within the District as law permits so long as the revenues used to provide such services are derived from the area in which the services are furnished; and

WHEREAS, the District desire to authorize and implement the establishment of an annual fee that would encompass District Services including operations and administration fees, covenant enforcement, architectural review and district maintenance fees for provision of services and handling all type costs, expenses and services as permitted by statute to be performed by the District, which would include use and service fees for facilities and amenities within the District (collectively referred to hereinafter as the “Service Fees”). The Service Fees will be calculated on an annual basis during the District’s annual budget process taking into consideration those funds traditionally and reasonably assessed for operations and maintenance, and capital reserves. The Service Fees may be charged on an annual basis against all residential dwelling units that have the necessary utilities in place to provide all required services to qualify for a certificate of occupancy within the boundaries of a District as reflected in the attached **Exhibit A**, which may be amended from time to time; and

WHEREAS, the Service Fees will be used to pay for the District’s costs and expenses related to services and facilities provided by the District, including, but not limited to the landscaping, parks, open space, greenbelts, and recreation facilities, improvements, and services; and

WHEREAS, the District has decided to apply the District Service Fees to residential and

multi-family dwelling units within the District as that revenue will be used to offset amenities, services, facilities and costs that benefit residents and property owners. The Service Fee revenue will also serve to increase the District's revenue stream at an earlier point in time to the benefit to the District's future residents, property owners and taxpayers, by using the Service Fees rather than mill levies to help pay for these contemplated costs in the operations and administration and provision of services within or benefiting the constituents of the District who use its facilities and services; and

WHEREAS, the District and the Developer have determined that it is economical and desirable to have the District provide management and operations services for public facilities, improvements and infrastructure provided for the community not otherwise dedicated to the Town or another public entity. The District will provide design review and covenant enforcement, and provide for recreation-related facilities, services and other amenities. Policies and procedures will be implemented on a periodic basis through public meetings held to review and approve any changes to guidelines, rules and regulations enacted by the District; and

WHEREAS, the District believe that imposing the Service Fees on each of the residential dwelling units and properties granted a certificate of occupancy within the District, as well as the benefits and efficiencies in having the District undertake and perform operations, management, administration, accounting and covenant enforcement functions to the extent allowed by law, shall serve to reduce the number and amount of fees assessed against property owners, and shall be a benefit to the District's residents, property owners and taxpayers, and

WHEREAS, the District desires to continue to impose the Service Fees against the residential dwelling units which have been granted certificates of occupancy within the District on an annual basis.

NOW THEREFORE, the Boards of Directors of the District hereby RESOLVE as follows:

1. The Service Fees are permitted, pursuant to the Service Plan, to be up to Three hundred and fifty Dollars (\$ 350.00) per year and shall be due and payable in one (1) lump sum payment on January 1, or in bi-annual/periodic installment payments as determined by the District Board of Directors on an annual basis and which are imposed and collected assessed against all residential dwelling units which have been granted certificates of occupancy at the time of issuance of a certificate of occupancy or at the closing of a sale of a residential dwelling unit to a third party within the District. The District Fee Schedule shall be attached hereto as **Exhibit B**, and shall be reviewed and updated on a periodic basis based upon budget needs of the District. Service Fees will be due and owing from the owner of a residential dwelling unit beginning at the time of closing to a third party purchaser and shall be prorated for that calendar year from the date of the closing, if needed. The Service Fees may be adjusted in the future based upon the District's annual budgets.

2. The Service Fees on commercial lots which have been granted certificates of

occupancy are due and payable when the owner receives the certificate of occupancy or upon closing and transfer to a new owner. The Service Fees will be assessed from the date that the certificate of occupancy issues or the date of closing of the sale of the property. The Service Fees on a commercial lot will be, at a minimum, the same rate as a residential unit, but may be higher due to additional landscaping or other more costly conditions. Service Fees on commercial lots will be determined when the architectural design application is submitted with the site plans and will be collected as set forth above. These Service Fees on commercial property may be limited as provided by the District's Service Plan or applicable laws. The applicable Service Fees may be prorated for the portion of the year in which Service Fee takes effect.

3. The Service Fees shall primarily be used for District facilities, services, and other legally permissible functions provided by the District for improvements, facilities owned, operated and maintained by the District, and applicable services provided including but not limited to covenant enforcement, district administrative and maintenance service expenses in conjunction with services for the users, etc. Those costs of the District include, but are not limited to, operations and maintenance of landscaping and common areas, operations and maintenance of the park and recreation facilities and improvements, and other district operations and maintenance costs associated with maintaining the amenities, public improvements and the costs associated with the District assuming the ownership and operation of all facilities, improvements and services not otherwise dedicated to the Town, water district, sewer district or owners association as permitted by Colorado law. The primary purpose of the Service Fees is to allocate the cost of services to those benefitted.

4. Notwithstanding anything contained in this Resolution to the contrary, no Service Fees shall be due from, or with respect to, any real property within the District for: (a) any school site dedicated to a school district, provided that the acreage of said site does not exceed eleven (11) acres; (b) any property dedicated or conveyed to a homeowners association serving property within the District, which does not exceed ten (10) acres; and/or (c) any property required by a local town, city or county to be dedicated to the local town, city or county, the public, or any other governmental entity for public rights-of-way, or that is required to be conveyed to another special district for the operation of public facilities including, but not limited to, streets, trails, sidewalks, landscape areas and similar facilities.

5. In addition, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with the design review and covenant enforcement services assumed by the District to ensure that such costs are the responsibility of the benefitted District's residents. All such fees shall be based upon the District's determination that such fees do not exceed reasonable annual market fee for users of such facilities.

6. Delinquent Charges and Collections. Delinquent account procedures and collection activities associated with District Fees are governed by the District's then-existing Fee Resolution and Collection Policy the form of which is attached hereto as **Exhibit C**.

7. Late Fees and Interest. Any single family and attached family townhome fees assessed by the District which are not paid in full within thirty (30) days after the scheduled

due date may be assessed a late fee of fifteen dollars (\$15.00), per §29-1-1102(3), C.R.S. Pursuant to §29-1-1102(7), C.R.S., interest may also accrue on any outstanding Service Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

7A. Any attached family apartment fees assessed by the District which are not paid in full within thirty (30) days after the scheduled due date may be assessed a late fee of five percent (5%) up to twenty five percent (25%), per §29-1-1102(3), C.R.S. Pursuant to §29-1-1102(7), C.R.S., interest may also accrue on any outstanding Service Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

8. All Service Fees shall be due within 30 days of the invoiced date, owing and payable to “City Center West Metropolitan District No. 2.” In the event that any Service Fees established hereunder remains unpaid thirty-one (31) days after its respective due date, the District’s General Counsel may undertake collection efforts for any and all outstanding amounts. All collections efforts shall be made pursuant to, and in accordance with, applicable state and federal laws. The District’s General Counsel shall be entitled to assess reasonable legal fees and any related costs and expenses to the owners of any such real property for said collection efforts.

9. Perpetual Lien. All Service Fees and all other fees, rates, tolls, charges and penalties contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the District or to be provided by the District within a reasonable amount of time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by improvements of the District and shall run with the Property as defined in the Declaration of Covenants, Conditions, Restrictions, and Easements for City Center West Residential Subdivision and City Center West Residential Metropolitan District No. 2 and remain in effect as to any portion of such property on which the appropriate fee has not been paid. All liens contemplated herein may be foreclosed in any manner authorized by law at such time as the District may determine that fees hereunder have not been paid as required.

10. Amendment. The District expressly reserves the right to amend, revise, redact, waive and/or repeal this Resolution in whole or in part, from time to time in order to further the purposes of carrying on the business and services of the District. The foregoing shall specifically include, but not be limited to the right to adopt new policies as may be deemed necessary in the District’s sole discretion.

11. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

12. Validity. If any clause or provision of this Resolution is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Resolution as a whole but shall be severed here from, leaving the remaining clauses or provisions in full force and effect.

13. Effective Date. This Resolution shall be immediately effective as of the date reflected below.

14. This Resolution supersedes any and all prior Resolutions approved and adopted by the District concerning Service Fees. All such prior Resolutions are hereby null and void, being superseded in their entirety by this Resolution.

ADOPTED AND APPROVED to be effective as of the 21st day of November, 2022.

**CITY CENTER WEST RESIDENTIAL
METROPOLITAN DISTRICT NO. 2**

DocuSigned by:
Patrick McMeekin
4C7041E3C716429...

President

ATTEST:

DocuSigned by:
Landon Hoover
476397694690453...

Secretary

EXHIBIT A

**Description of Property Subject to District Service Fees Including
Covenant Enforcement, Administration, Operations and Maintenance Fees
(City Center West Residential Metropolitan District No. 2)**



Lot Totals:
 Townhomes:
 (7) 4-plex Buildings = 28 units
 (17) 6-plex Buildings = 102 units
 Single Family Lots = 149
 (52'x115')
 Total Units = 279



EXHIBIT B

District Fee Schedule City Center West Residential Metropolitan District No. 2

(effective as of November 21, 2022)
(to be updated on a periodic basis)

**CITY CENTER WEST RESIDENTIAL METROPOLITAN DISTRICT NO. 2
FEE SCHEDULE - 2023**

Classification	Fee Type	Amount	Time of Collection
All types	Administrative Transfer Fee	\$ 150.00	Collected at property transfer
	ARC Fees:		
	Architectural Plan Review	\$ 200.00	Collected at application submittal
	Initial Landscape Plan Review	\$ 150.00	Collected at application submittal
Attached Family - Townhomes	General Operations Fee	\$ 350.00	Payable in quarterly installments
Attached Family - Apartments	General Operations Fee	\$ 10,300.00	Annually
Single Family	General Operations Fee	\$ 350.00	Payable in quarterly installments
Non-Sufficient Funds Fee	NSF	\$ 25.00	Each time per check returned

EXHIBIT C

CITY CENTER WEST RESIDENTIAL METROPOLITAN DISTRICT NO. 2 COLLECTION POLICY

(Effective as of November 21, 2022)

The District had adopted the following collection policies:

1. *Perpetual Lien.* Pursuant to § 32-1-1001(l)(j)(I), C.R.S., all Delinquent Fees and Charges shall constitute a perpetual lien on and against the Property served by the District (the “**Lien**”). All such Liens shall, to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All Liens contemplated herein may be foreclosed as authorized by law at such time as the District, in its sole discretion, may determine.

- a. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and to provide additional notice to interested parties, including, but not limited to, title companies and the Property owner. In the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the Lien in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

2. *District’s Manager Procedures.* The District’s Manager, Accountant or Billing Agent (any of which are referred to herein as the “Manager”) is responsible for collecting Fees imposed by the District against the Property. In the event payment of Fees is delinquent, the Manager may perform the procedures listed below. The Fees are considered delinquent when they have not been paid by their corresponding due date (the “Delinquent Account”):

- a. *Thirty (30) Calendar Days Past Due:* A delinquent payment “Reminder Letter” may be sent to the address of the last known owner or occupant of the Property according to the Manager’s records. In the event the above mailing is returned as undeliverable, the Manager may send a second copy of the Reminder Letter to: (1) the Property; and (2) the address of the last known owner of the Property as found in the real property records of the County Assessor’s Office (the “Assessor”) for the County in which the District is located (collectively, the “Property Address”). Said Reminder Letter may: (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee and a Late Fee in the amounts set forth in this Resolution have been assessed; and (3) reference the URL address of the District’s webpage where this Resolution is displayed, if available and requested by the Board.

- b. *Sixty (60) Calendar Days Past Due:* A “Warning Letter” may be sent to the Property Address: (1) requesting prompt payment; (2) warning of further legal action should the Property owner fail to pay the total amount due and owing; and (3) explaining that the Manager can provide a copy of the Resolution upon request. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent.
- c. *Delinquent Accounts Post Warning Letter:* The District Manager shall continue to monitor the Delinquent Account until either (i) the amount of the Fees owing on such Delinquent Account are equal to or greater than the amount that would be collected under the current rate for such Fees over a one year period, or (ii) the account is more than six (6) months past due, regardless of whether the Manager has performed the tasks outlined in this Section 1(b) of this Resolution, the Manager may refer the Delinquent Account to the District’s General Counsel (the “General Counsel”). At the time of such referral, the Manager may be requested to provide General Counsel with copies of all notices and letters sent pursuant to Section 1(b), if any, as well as a copy of the most recent ledger for the Delinquent Account.
- d. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

3. *General Counsel Procedures.* Upon referral of a Delinquent Account from the Manager, General Counsel may perform the following:

- a. *Upon Referral of the Delinquent Account From the Manager:* A “Demand Letter” may be sent to the Property Address, notifying the Property owner that the Property has been referred to General Counsel for further collections enforcement, including the filing of a statement of lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the Manager may also be sent.
- b. *No Sooner than Thirty (30) Calendar Days from the Postmark Date of the Demand Letter:* A Notice of Intent to File a Statement of Lien, along with a copy of the statement of lien to be filed, may be sent to the Property Address of the Delinquent Account notifying the Property owner that a statement of lien will be recorded with the clerk and recorder of the county where the Property is located (the “Clerk and Recorder”) within no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien.

- c. *No Sooner than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File a Statement of Lien:* A Statement of Lien for the total amount due and owing as of the date of the Statement of Lien may be recorded against the Property with the Clerk and Recorder no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien is sent to the Property. Notwithstanding the amount due and owing reflected on the Statement of Lien, all Delinquent Fees and Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.
- d. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

4. *Foreclosure or Bankruptcy.* In circumstances where the Property is being foreclosed upon or where the owner of the Property has declared or is declaring bankruptcy and notice of such bankruptcy action has been provided to the District, the Manager may be permitted, in his or her discretion, to refer the Delinquent Account directly to General Counsel in order to avoid unnecessary, costly and time consuming procedures. Upon referral of the Delinquent Account to General Counsel, General Counsel may, in his or her discretion, immediately file a Statement of Lien on the Property.

5. *Penalties:* "Penalties" may be charged on Delinquent Accounts at a rate determined by the Board and may include, but are not limited to, pro-rated costs associated with collection efforts on behalf of the District for all Delinquent Accounts combined.

6. *Waiver of Late Fees, Interest and Costs of Collections:*

a. The Manager and General Counsel each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest. Such action is permitted if either the Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of Delinquent Fees and Charges. Notwithstanding the foregoing, neither the Manager nor General Counsel shall have the authority to waive Late Fees and Interest which, in the aggregate, exceeds One Thousand Dollars (\$1,000.00). In such case, the person or entity owing in excess of One Thousand Dollars (\$1,000.00) in Late Fees and Interest combined and requesting such a waiver shall first submit a request, in writing, to the Board, and the Board may make the determination in its sole discretion.

b. Neither the Manager nor General Counsel is authorized to waive any portion of the Fees or Costs of Collections. Should the Property owner desire a waiver of such Fees and/or Costs of Collections, s/he may submit a written request to the Board and the Board may make the determination in its sole discretion.

c. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections 6(a) or (b) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, or as the promise to waive or reduce future Late Fees or Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision making power of the Board, Manager, or General Counsel, whether related to the Property in question or other properties within the District.

7. Payment Plans:

The Manager and General Counsel each have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Manager or General Counsel elect not to enter into a payment plan with the Property owner, the Property owner may submit a written request to the Board and the Board may make the determination in its sole discretion.

8. Ratification of Past Actions:

All acts, omissions, waivers and/or payment plans heretofore undertaken by the Manager or General Counsel that would otherwise have been authorized by or not required by this Resolution are hereby affirmed, ratified and made effective as of the date said acts, omissions, waivers and/or payment plans occurred.

9. Additional Actions:

The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of this Resolution.

10. Supersedes Prior Resolutions:

This Resolution shall supersede and replace in their entirety all prior resolutions addressing the processing and/or collection of Delinquent Fees and Charges. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District, the term or provision in this Resolution shall prevail.

11. Severability:

If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions are severable. 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.

12. Savings Provision:

The failure to comply with the procedures set forth herein shall not affect the status of the Delinquent Fees and Charges as a perpetual Lien subject to foreclosure in accordance with law. Failure by the Manager, General Counsel or other authorized representative to take any action in accordance with the guidelines provided herein shall not invalidate subsequent efforts to collect the Delinquent Fees and Charges.