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**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
HOMESTEAD HILLS METROPOLITAN DISTRICT**

Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges

WHEREAS, Homestead Hills Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the “**Board**”) is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District (collectively, the “**Fees**”) to properties within and without (each property individually referred to herein as the “**Property**”) the District’s boundaries; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics’ liens; and

WHEREAS, by this Resolution (the “**Resolution**”), the District desires to set forth guidelines for the processing and collection of unpaid and/or delinquent Fees imposed by the District, together with any and all Late Fees, Interest, Penalties and Costs of Collections (each defined separately in this Resolution), (collectively, the “**Delinquent Fees and Charges**”); and

WHEREAS, notwithstanding anything in this Resolution to the contrary, 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 any deviation from the guidelines shall not affect the status of the Lien (as defined below) in any way.

NOW, THEREFORE, the Board hereby RESOLVES:

1. Statement of Lien Guidelines:

a. ***Perpetual Lien.*** Pursuant to § 32-1-1001(1)(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.

i. 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.

b. ***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**"):

i. ***Fifteen (15) 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.

ii. ***Fifteen (15) Calendar Days From the Postmark Date of the Reminder Letter:*** 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) referencing the url address of the District's webpage where this Resolution is displayed, if available. 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.

iii. ***Ten (10) Calendar Days from the Postmark Date of the Warning Letter:*** Once the total amount of Delinquent Fees and Charges owing on the Property has exceeded \$250.00, regardless of whether the Manager has performed the tasks outlined in 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.

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

i. *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.

ii. *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.

iii. *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. **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. Further, when a Delinquent Account has a balance of \$1,500.00 or greater, General Counsel is authorized to commence foreclosure action against the Property.

2. Late Fees:

a. **"Late Fees"** are assessed on the Property for failure to make timely payments of Fees. Late Fees are applied, regardless of whether the Fees are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.

b. Late Fees are assessed on the Property **Fifteen (15) calendar days from the payment due date**. Pursuant to § 29-1-1102, C.R.S., such Late Fee may be charged by either of the following two methods, whichever is greater:

i. One Late Fee of Fifteen Dollars (\$15.00) may be assessed on the Property per each assessment or installment of Fees not fully paid prior to the Fifteenth (15) calendar day following the payment due date; or

ii. In lieu of Section 2(b)(i) above, a Late Fee of Five Percent (5%) per month, commencing on the Fifteenth (15) calendar day following the payment due date, and each month thereafter, may be charged on unpaid Fees until the Late Fee equals Twenty Five Percent (25%) of all outstanding Fees.

c. Partial payment of any outstanding Delinquent Fees and Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

d. Payments received will be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Costs of Collections; (4) Legal Fees and Costs; (5) the earliest imposed and unpaid Fees; (6) any successive unpaid Fees in chronological order from the earliest unpaid Fees to the most recently imposed Fees.

e. No penalty will be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees. Such credit balances will be carried forward on the account with all subsequent Fees and Delinquent Fees and Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance may be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees due and owing the District.

3. Interest:

"Interest" charges accrue on all delinquent Fees at the maximum statutory rate of Eighteen Percent (18%) per annum. Interest shall not accrue and be charged on Late Fees, Interest or Costs of Collections. §29-1-1102, C.R.S.

4. 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.

5. Costs of Collections:

“Costs of Collections” include, but are not limited to, attorneys’ fees and all costs, fees and charges associated with the processing and/or collection of Delinquent Fees and Charges, including the following fixed rates and hourly fees and costs:

i. *Action Fees.* The following fixed rate fees are charged to a Delinquent Account once the corresponding action has been taken by either the Manager or General Counsel:

- *Reminder Letter Fee:* Ten Dollars (\$10.00) per Reminder Letter. This action is typically performed by the Manager.

- *Warning Letter Fee:* Ten Dollars (\$10.00) per Warning Letter sent. This action is typically performed by the Manager.

- *Accounts Receivable Processing Fees:* Fifteen Dollars (\$15.00) per month.

- *Return Check Fee:* Twenty Dollars (\$20.00) per returned payment.

- *Attorney Transfer Fee:* Seventy-Five Dollars (\$75.00) per Delinquent Account transferred from the Manager to General Counsel. This action is performed by the Manager.

- *Demand Letter Fee:* One Hundred Fifty Dollars (\$150.00) per Demand Letter sent. This action is performed by General Counsel.

- *Notice of Intent to File a Statement of Lien Fee:* One Hundred Twenty Dollars (\$120.00) per Notice of Intent to File a Statement of Lien sent. This action is performed by General Counsel.

- *Lien Recording Fee:* One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Property. This action is performed by General Counsel.

- *Payment Plan Fee:* One Hundred Fifty Dollars (\$150.00) per Payment Plan prepared. This action is performed by General Counsel.

- *Default Letter Fee:* Seventy Dollars (\$70.00) per Default Letter prepared. This action is performed by General Counsel.

- *Monitoring Bankruptcy Fee:* One Hundred Dollars (\$100.00) for monitoring Chapter 7 bankruptcies. Two Hundred and Fifty Dollars (\$250.00) for monitoring Chapter 13 or Chapter 11 bankruptcies.

These actions are performed by General Counsel.

- *Monitoring Public Trustee Foreclosure Fee:* One Hundred Fifty Dollars (\$150.00) per Public Trustee Foreclosure action monitored. This action is performed by General Counsel.

- *Attorney Reminder Letter Fee:* Seventy Dollars (\$70.00) per Reminder Letter. This action is performed by General Counsel.

- *Certificate of Status Fee:* One Hundred Dollars (\$100.00) per Status Letter prepared. This action is performed by General Counsel.

- *Foreclosure Warning Letter Fee:* One Hundred Dollars (\$100.00) per Foreclosure Warning Letter prepared. This action is performed by General Counsel.

- *Lien Release Fee:* One Hundred Fifty Dollars (\$150.00) per lien that is released. This action is performed by General Counsel. It is recommended that the Lien Release Fee be charged to the Delinquent Account at the same time as the Lien Recording Fee.

- *Court Appearances by Manager:* Ninety-Five Dollars (\$95.00) per hour. This also includes meeting with the District's attorney, depositions and administrative preparation relating to a case.

ii. *Attorney Hourly Fees and Costs.* Upon transfer of a Delinquent Account to General Counsel, all hourly attorneys' fees and costs, including, but not limited to, litigation and expert witness fees and costs, litigation guarantees, service of process and/or publications incurred by the District to collect or defend the Delinquent Fees and Charges are assessed to the Delinquent Account and become part of the perpetual Lien on the Property. All such hourly attorneys' fees and costs shall be reasonable.

iii. *Recovery of Costs of Collections.* In accordance with § 29-1-1102(8), C.R.S., nothing in this Resolution shall be construed to prohibit the District from recovering all Costs of Collections whether or not outlined above.

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. Acceleration and Decelerations of Fees:

The District reserves the right to accelerate and call due an entire unpaid annual Fee on any delinquent account. Such acceleration shall result in the entire unpaid annual Fee being due to the District immediately. The District also reserves the right to decelerate any accelerated Fee.

9. Ratification of Past Actions:

All acts, omissions, waivers and/or payment plans heretofor 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.

10. 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.

11. Deviations:

The District may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

12. 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.

13. 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.

14. 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.

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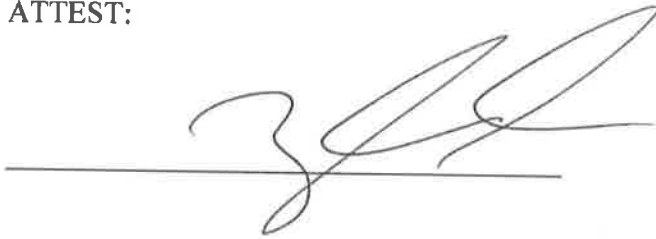
ADOPTED this 5th day of March, 2019.

**HOMESTEAD HILLS METROPOLITAN
DISTRICT**



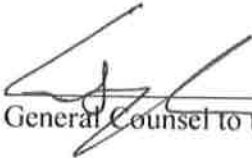
Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

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

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
HOMESTEAD HILLS METROPOLITAN DISTRICT**

CONCERNING THE IMPOSITION OF FEES

WHEREAS, the Homestead Hills Metropolitan District (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 Adams 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, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to acquire, construct, operate and maintain certain amenities and facilities benefitting property and inhabitants within the District, which amenities and facilities generally include street improvements, water improvements, sanitary sewer improvements, park and recreation improvements, drainage improvements, landscaping improvements, right-of-way improvements and open space improvements, (collectively, the "**Facilities**"); and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to provide certain services to property and inhabitants within the boundaries of the District, including without limitation, general administration, landscape maintenance, snow removal, covenant enforcement, design review and other services as directed by the Board (collectively, the "**Services**"); 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 paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District incurs certain direct and indirect costs associated with the 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 District 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 the District maintained, and that the health, safety and welfare of the District and its inhabitants may be safeguarded (collectively, the "**Service Costs**"); and

WHEREAS, the establishment and continuation of a fair and equitable fee (the **"Operations Fee"**) to provide a source of funding to pay for the Facility Costs and the Service Costs, (collectively, the **"Operations Costs"**), which Operations Costs are generally attributable to the persons and/or properties subject to such Operations Fees, is necessary to provide for the common good and for the prosperity and general welfare of the District and its inhabitants and for the orderly and uniform administration of the District's affairs; and

WHEREAS, the District finds that the Operations Fee, as set forth in this Resolution, is reasonably related to the overall cost of providing the Facilities and Services and paying the Operations 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 District, as the same are established and amended from time to time pursuant to §§32-1-101, *et seq.*, C.R.S., 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 Operations Fee is 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.

"Fee Schedule" or **"Schedule of Fees"** 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.

"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 is situated and specifically excluding any parcel owned by the District.

2. OPERATIONS FEE.

a. The Board has determined, and does hereby determine, that it is in the best interests of the District and its respective residents and property owners to impose, and does hereby impose an Operations Fee to fund the Operations Costs. The Operations Fee is 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. The Operations Fee shall consist of a recurring payment (the **"Recurring Payment"**) and a separate payment imposed on transfers of a Residential Unit (the **"Transfer Payment"**), which together shall comprise the Operations Fee.

b. 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 District determines that such exception is being undertaken for the purpose of improperly avoiding the Operations Fee:

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 Operations Fee is 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 Operations Fee will be accounted for separately from other revenues of the District. The Operations Fee revenue will be used solely for the purpose of paying Operations Costs, and may not be used by the District to pay for general administrative costs of the District. This restriction on the use of the Operations Fee revenue shall be absolute and without qualification.

e. The Board has determined, and does hereby determine, that the Operations Fee is calculated to defray the cost of funding Operations Costs and reasonably distributes the burden of defraying the Operations Costs in a manner based on the benefits received by persons paying the fees and using the Facilities and Services.

3. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Operations Fee 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 Operations Fees, 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 "Homestead Hills Metropolitan District" 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 Adams County, Colorado.

6. 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.

7. 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.

8. EFFECTIVE DATE. This Resolution shall become effective March 5, 2019.

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ADOPTED this 5th day of March, 2019.

HOMESTEAD HILLS METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado



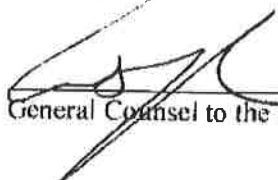
Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law



General Counsel to the District

Signature page to Resolution Concerning the Imposition of an Operations Fee

EXHIBIT A

HOMESTEAD HILLS METROPOLITAN DISTRICT

Schedule of Fees

Effective March 5, 2019

Schedule of Fees		
Fee Type	Classifications	Rate
Operations Fee – Recurring Payment	Residential Unit	\$23/month, paid quarterly
The Due Date for each Operations Fee is the first day of January, April, July and October.		
Operational Transfer Fee – Payment Due Upon a Transfer	Residential Unit	\$325 per Transfer
The Due Date for the Operational Transfer Fee—Payment Due Upon Transfer is the date upon which the Transfer occurs.		

PAYMENTS: Payment for each fee shall be made payable to the Homestead Hills Metropolitan District and sent to the following address for receipt by the Due Date:

Homestead Hills Metropolitan District
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111
Attn: Jason Carroll

EXHIBIT B
HOMESTEAD HILLS METROPOLITAN DISTRICT
District Boundaries

EXHIBIT A LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PART OF LOT 1, BLOCK 16, HOMESTEAD HILLS SUBDIVISION FILING NO. 3 PER THE PLAT RECORDED UNDER RECEPTION NO. 20040525000403560 IN THE RECORDS OF THE ADAMS COUNTY CLERK AND RECORDER'S OFFICE, SITUATED IN THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 1 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF THORNTON, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 19 BEARS NORTH 00°20'58" WEST, ALL BEARINGS HEREON ARE REFERENCED TO THIS LINE;

THENCE NORTH 21°57'35" EAST, A DISTANCE OF 1145.94 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT 1 AND THE POINT OF BEGINNING;

THENCE DEPARTING SAID SOUTHERLY BOUNDARY, NORTH 00°20'58" WEST, A DISTANCE OF 468.83 FEET TO THE NORTHERLY BOUNDARY OF SAID LOT 1;

THENCE ALONG THE BOUNDARY OF SAID LOT 1 THE FOLLOWING NINE (9) COURSES:

1. NORTH 89°39'02" EAST, A DISTANCE OF 621.97 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 335.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS NORTH 74°28'56" EAST;
2. SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°23'02", AN ARC LENGTH OF 206.88 FEET;
3. SOUTH 50°54'06" EAST, A DISTANCE OF 238.98 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 190.00 FEET;
4. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75°58'47", AN ARC LENGTH OF 251.96 FEET;
5. NORTH 64°55'19" WEST, A DISTANCE OF 5.00 FEET;
6. SOUTH 25°04'41" WEST, A DISTANCE OF 465.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 480.00 FEET;
7. SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°18'01", AN ARC LENGTH OF 119.80 FEET;
8. NORTH 45°32'52" WEST, A DISTANCE OF 871.47 FEET;
9. SOUTH 89°39'36" WEST, A DISTANCE OF 107.63 FEET TO THE POINT OF BEGINNING.

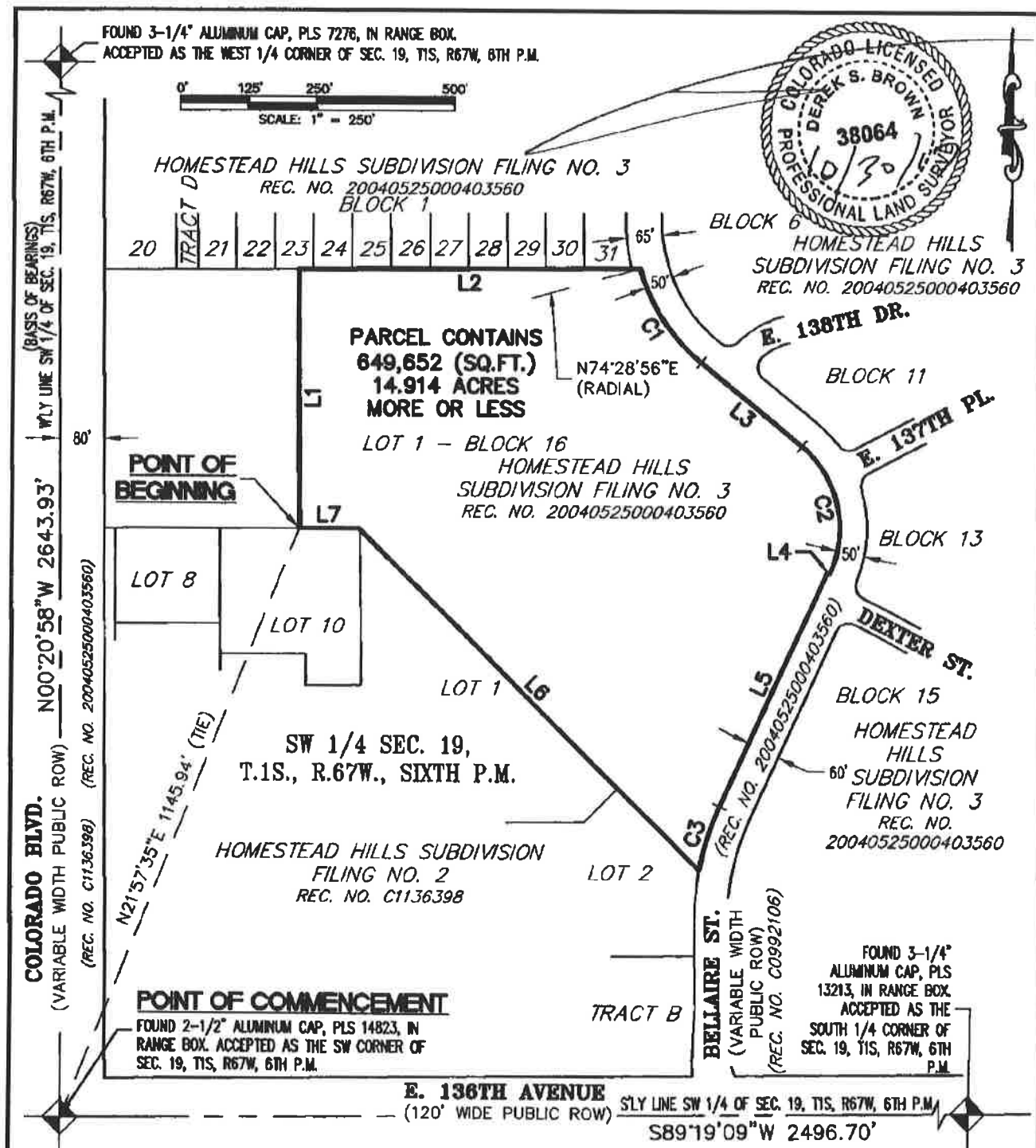
CONTAINING AN AREA OF 14.914 ACRES, (649,652 SQUARE FEET), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.

DEREK S. BROWN
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR NO. 38064
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.
300 E. MINERAL AVENUE, SUITE 1, LITTLETON, CO 80122
303-713-1898



ILLUSTRATION TO EXHIBIT A



NOTE: THIS DRAWING DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATH:
DWG NAME:
DWG: RBA CHK: DSB
DATE: 10-30-2017
SCALE: 1" = 250'

© 12117-01 - Homestead Comprehensive Plan Legal Dwg EXHIBITS
308 East Mineral Ave,
Suite 1
Littleton, Colorado 80122
Phone: (303) 713-1898
Fax: (303) 713-1897
www.aztecconsultants.com

AZTEC
CONSULTANTS, INC.
Homestead Residential Boundary.dwg

RESIDENTIAL BOUNDARY
SW 1/4 SEC. 19, T.1S., R.67W., 6TH P.M.
COUNTY OF ADAMS, STATE OF COLORADO
JOB NUMBER 12117-01
2 OF 3 SHEETS

ILLUSTRATION TO EXHIBIT A

LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°20'58"W	468.83'
L2	N89°39'02"E	621.97'
L3	S50°54'06"E	238.98'
L4	N64°55'19"W	5.00'
L5	S25°04'41"W	465.54'
L6	N45°32'52"W	871.47'
L7	S89°39'36"W	107.63'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	35°23'02"	335.00'	206.88'
C2	75°58'47"	190.00'	251.96'
C3	14°18'01"	480.00'	119.80'



NOTE: THIS DRAWING DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATH: _____
 DWG NAME: _____
 DWG: RBA CHK: DSB
 DATE: 10-30-2017
 SCALE: 1" = 250'

Q:\121117-01 - Homestead Comprehensive Plan Legal\Drawings\EXHIBITS
 300 East Mineral Ave,
 Suite 1
 Lakewood, Colorado 80122
 Phone: (303)713-1898
 Fax: (303)713-1897
 www.aztecconsultants.com

AZTEC
 CONSULTANTS, INC.
 Homestead Residential Boundary.dwg

RESIDENTIAL BOUNDARY
 SW 1/4 SEC. 19, T.1S., R.67W., 6TH P.M.
 COUNTY OF ADAMS, STATE OF COLORADO
 JOB NUMBER 121117-01

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
HOMESTEAD HILLS METROPOLITAN DISTRICT**

**REGARDING POLICIES, PROCEDURES AND PENALTIES FOR THE
ENFORCEMENT OF THE GOVERNING DOCUMENTS**

WHEREAS, Homestead Hills Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to the terms and conditions of the Covenants and Restrictions of Homestead Hills recorded in the real property records of the Clerk and Recorder of Adams County, Colorado at Reception No. 2019000013022, on February 22, 2019 (the “**Covenants**”), the District is permitted to send demand letters and notices, levy and collect fines and interest, impose liens, and negotiate, settle and take any other actions with respect to any violations or alleged violations of the Governing Documents (as defined below); and

WHEREAS, the Board of Directors (the “**Board**”) of the District is authorized to promulgate adopt, enact, modify, amend, repeal, and re-enact rules and regulations concerning and governing the Property (as that term is defined in the Covenants) (the “**Rules and Regulations**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, such fees, rates, tolls, penalties, or charges, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Board desires to set establishing policies, procedures and penalties for violations of the Covenants, any guidelines, rules and regulations, and other policies and procedures of the District, as the same may be adopted, amended and supplemented from time to time (collectively, the “**Governing Documents**”).

NOW THEREFORE, the Board hereby adopts this Resolution and the following policies and procedures:

1. Intent of District. This Resolution is adopted to ensure the protection of the health, safety and welfare of the residents and property owners of the District, to preserve property values, enhance the quality of life for all District residents, and provide a fair and consistent enforcement process of the Governing Documents.

2. Enforcement Policy. The District may enforce the Governing Documents through administrative proceedings or judicial action, and any non-compliance with the Governing Documents by any owner, renter or guest will be the responsibility of the owner of the respective property subject to this Resolution (“the “**Owner**”). This Resolution is intended to serve as

guidance to the Board and the District's authorized representative(s) (the "**District Representative**"), and does not limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the District Representative. In addition, this Resolution shall not supersede the procedures for approval, disapproval, or notice of noncompliance related to improvements as set forth in the Governing Documents.

3. Investigative Procedure. Upon receipt of a written complaint alleging a violation of the Governing Documents, the District Representative will conduct an investigation to determine whether a violation of the Governing Documents has occurred.

4. Enforcement Process for Continuous Violations Upon determining that a "**Continuous Violation**" (defined as a violation that is ongoing, uninterrupted by time and may take time to cure) has occurred, the District Representative and the Board shall take the following steps:

a. Advisory Letter/Notice of Alleged Violation. If the District Representative determines that a Continuous Violation of the Governing Documents exists, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative, the District Representative will send an "Advisory Letter/Notice of Alleged Violation" to the Owner by first-class United States mail to the address of the Owner on record according to the records of the County Assessor ("**Owner's Address**"), notifying the Owner of: (i) the restriction violated and the nature of the violation, (ii) that the Owner must have the Continuous Violation corrected within 15 calendar days of the date of the Advisory Letter, and (iii) that failure to timely cure the Continuous Violation may result in potential fines or other sanctions. If, in the discretion of the District Representative, the Continuous Violation requires more than 15 days to cure, the District Representative may extend the cure period or require the Owner to commence such cure within 15 days of the date of the Advisory Letter/Notice of Alleged Violation and diligently prosecute the same to completion.

b. Notice of Complaint and Opportunity to Be Heard. If an Owner fails to cure (or provide adequate proof that he or she is diligently seeking to cure, if applicable) a Continuous Violation within 15 days of the date of the Advisory Letter/Notice of Alleged Violation this shall be considered a second violation for which a fine may be imposed. The District Representative shall send a notice of complaint and opportunity to be heard ("**Hearing Notice**") to the Owner at the Owner's address notifying the owner of the Continuous Violation and of the potential fines that may be imposed if the Continuous Violation is not cured. The Hearing Notice shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing by the Owner within 15 days of the date of the Hearing Notice. This Hearing Notice shall satisfy the requirements of Article 5, Section 5.2.5.4 of the Covenants relating to notice and opportunity for a hearing before the governing board of the District prior to the imposition of any fines. The District may impose additional fines without the necessity of providing the Owner with the opportunity for a hearing thereafter.

c. Notices of Ongoing Violation. If the Owner has not requested a hearing, cured the Continuous Violation or made arrangements to cure the Continuous Violation and communicated such arrangements to the District Representative in writing within 15 days of the Hearing Notice, this shall be considered a third violation for which a fine may be imposed. The District Representative shall send a notice of ongoing violation ("**Ongoing Violation Notice**") to the Owner's Address demanding that the Owner cure the ongoing Continuous Violation and that an additional fine has been imposed on the Owner's account pursuant to the fine schedule set forth in Paragraph 9 below. If the Continuous Violation remains uncured 15 days after the date of the first Ongoing Notice Violation or the Owner has not made arrangements to cure the Continuous Violation and communicated such arrangements to the District Representative in writing within 15 days of the first Ongoing Violation Notice, this shall be considered a fourth violation for which an additional fine may be imposed. A second Ongoing Violation Notice shall be sent to the Owner and shall advise the Owner of the imposition of an additional fine, pursuant to the fine schedule set forth in Paragraph 9 of this Resolution.

d. Continuing Violation. In the event that a Continuing Violation continues to exist uninterrupted 15 days after the date of the second Ongoing Violation Notice, the District may in its discretion, in addition to any other remedy, send the Owner a notice of daily fines ("**Daily Fine Notice**") and thereafter impose a fine of up to \$100 for each day that a Continuous Violation so continues.

5. Enforcement Process for Repetitious Violations. Upon determining that a "**Repetitious Violation**" (defined as a violation that occurs at a set point in time and does not require time to cure, such as the parking of a restricted vehicle in the community or leaving trash cans out beyond the time allowed) has occurred, the District Representative and Board shall take the following steps:

a. Advisory Letter/Notice of Alleged Violation. If the District Representative determines that a Repetitious Violation of the Governing Documents has occurred, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative, the District Representative will send an "Advisory Letter/Notice of Alleged Violation" to the Owner by first-class United States mail to the Owner's Address, notifying the Owner of: (i) the restriction violated and the nature of the Repetitious Violation, and (iii) that any subsequent violations of the same restriction within 90 days of the date of the Advisory Letter may result in the imposition of fines.

b. Notices of Repetitious Violations. If an Owner subsequently violates the same covenant or rule within 90 days of date of the Advisory Letter/Notice of Alleged Violation, each such instance shall constitute a separate Repetitious Violation for which fines may be imposed pursuant to the fine schedule set forth in Paragraph 9. Upon the occurrence of each subsequent Repetitious Violation, the District Representative shall send the Owner a notice advising the Owner of the Repetitious Violation and of the fine to be imposed ("**Repetitious Violation Notice**"). The first such Repetitious Violation Notice shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing by the Owner within 15 days of

such first Repetitious Violation Notice. This Hearing Notice shall satisfy the requirements of Article 5, Section 5.2.5.4 of the Covenants relating to notice and opportunity for a hearing before the governing board of the District prior to the imposition of any fines. The District may impose additional fines with each Repetitious Violation Notice sent after the first Repetitious Violation Notice without the necessity of providing the Owner with the opportunity for a hearing thereafter.

6. Hearing on Violation. If a hearing is requested by the Owner pursuant to Paragraph 4.b or 5.b above, the District Representative shall notify the Owner of the date, time and place of the hearing at least 10 days prior to the hearing. Hearings regarding violations of the Governing Documents shall be conducted by the Board, or a tribunal consisting of District residents or other persons as selected by the Board.

7. Failure to Attend or Request Hearing. In the event any Owner fails to request a hearing within 15 days of the date of the Hearing Notice or the first Notice of Repetitious Violation, as applicable, or fails to appear at a requested hearing, the Board or the tribunal or person designated by the Board to conduct the hearing may make a decision with respect to the violation based on the complaint, results of the investigation and any other available information without the necessity of holding a formal hearing. Failure to request a hearing or to appear at a requested hearing will result in the Owner being deemed to have admitted and acknowledged the violation and the Owner will thereafter be subject to all fines and penalties assessed in connection with the violation. After offering an Owner the opportunity for a hearing in the Hearing Notice or the first Notice of Repetitious Violation, as applicable, regardless of whether the Owner then requests a hearing or not, the District need not offer the opportunity for a hearing for any additional fines to be imposed for failure to cure a Continuous Violation or for subsequent instances of a Repetitious Violation.

8. Decision. After the District has taken the steps as outlined above, upon a finding that an Owner is in violation of the Governing Documents, the District Representative shall send notice of violation ("**Notice of Violation**") to the Owner's Address. The District may revoke or suspend the Owner's privileges, impose fines in accordance with the fine schedule set forth below and take such other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents.

9. Fine Schedule. The following fine schedule is adopted for any and all violations of the Governing Documents.

Continuous Violations

First Violation	Advisory Letter
Second Violation (Hearing Notice):	\$25.00
Third Violation (First Ongoing Violation Notice	\$50.00
Fourth Violation (Second) Ongoing Violation Notice:	\$75.00
Daily Fine Notice:	Up to \$100.00 per day

Repetitious Violations:

First Violation	Advisory Letter
Second Violation within 90 days of the Advisory Letter:	\$25.00
Subsequent Violations within 90 days of the Advisory Letter:	\$50.00 per offense

10. Violations or Offenses that Constitute a Present Danger. If a violation concerns a serious or immediate risk to the health, safety, or welfare of person or property, the District Representative shall seek to obtain prompt action by the Owner to correct the violation and avoid any reoccurrence, and the procedural requirements under this Resolution may be waived by the Board and a hearing scheduled as soon as possible. The Board may impose sanctions as necessary to abate any threat to health, safety or welfare of any person or property.

11. Waiver of Fines and Other Amounts. The District may determine enforcement actions on a case by case basis, and take other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents. The District Representative and/or the Board may, either in its sole discretion, waive all or any portion of any fines and other amounts levied under this Resolution. Additionally, the District Representative and/or the Board may condition waiver of any fine or other amount(s), upon the Owner coming into and staying in compliance with the Governing Documents.

12. Other Enforcement Means. The provisions of this Resolution shall be in addition to all other enforcement means which are available to the District through the Governing Documents, or by law. Application of this Resolution does not preclude the District from using any other enforcement means, including, but not limited to the recording of liens, notices of non-compliance, foreclosure, and any other legal or equitable remedies available to the District.

13. Legal Action. Any violation of the Governing Documents may, in the discretion of the Board, be turned over to legal counsel to take appropriate legal action either in lieu of, or in addition to, the imposition of any fines or other penalties under this Resolution, and Owners shall be responsible for all attorneys' fees and costs incurred in enforcing this Resolution and in collecting amounts due and owing the District.

14. Foreclosure of Lien. All amounts imposed pursuant to this Resolution 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), C.R.S., such lien being a charge imposed for the provision of services and facilities to the property. 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.

15. Deviations. The District may deviate from the procedures set forth herein if, in its sole discretion, such deviation is reasonable under the circumstances.

16. Amendment. The policies, procedures and fine schedule set forth in this Resolution may be supplemented and/or amended from time to time by the District, in its sole and absolute discretion.

17. Payment. Payment for all fines shall be by check or equivalent form acceptable to the District, made payable to "Homestead Hills Metropolitan District" and sent to the following address, on or before the due date: Homestead Hills Metropolitan District, c/o CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111. The District may change the payment address from time and time and such change shall not require an amendment to this Resolution.

18. 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.

19. Effective Date. This Resolution shall become effective immediately, and shall supersede in its entirety any prior resolution.

[Remainder of Page Intentionally Left Blank. Signature Page Follows].

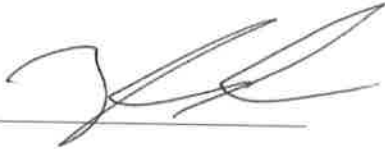
APPROVED AND ADOPTED THIS THE 5TH DAY OF MARCH, 2019.

**HOMESTEAD HILLS METROPOLITAN
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado



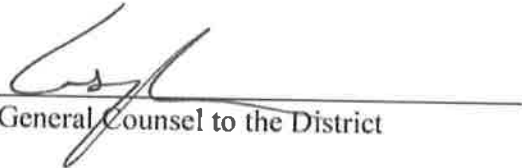
Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District