

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
HUNTERS OVERLOOK METROPOLITAN DISTRICT NOS. 1-8  
CONCERNING THE IMPOSITION  
OF DISTRICT SERVICE FEE 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 Hunters Overlook Metropolitan District (the "District") to be effective as of the 16th day of November, 2017.

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 Hunters Overlook Metropolitan District (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 and to take over most or all of the functions of a property owners association or similar entity 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 has decided 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 of all District Facilities and Services 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 for District Facilities and Services (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 District Facilities and Services for operations and maintenance, capital reserves. The Service Fees will eliminate the need to assess a separate homeowners association or property owners association (collectively referred to as "HOA") fee. The Service Fees will 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 the 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

along with the assumption of most or all of the functions traditionally handled by a HOA; and

WHEREAS, the District has decided to apply the Service Fees to residential 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 not economical or desirable to have a property owners association and the District provide concurrent services. Rather, it would be advantageous to have the District provide HOA functions, including 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 approve any changes to those rules and regulations of the District. A copy of those current policies adopted and implemented will be attached to this Resolution as **Exhibit B** and incorporated, ratified and approved by reference; and

WHEREAS, the District believes that imposing the Service Fees on each of the residential dwelling unit and property granted a certificate of occupancy within the District, the elimination of the need to have another entity perform the same or similar services and impose any additional fees, as well as the benefits and efficiencies in having the District undertake and perform traditional association functions to the extent allowed by law, shall serve to increase the District's revenue stream, 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, to be collected in full at closing to a homeowner and then billed subsequently thereafter by the District on a semi-annual basis.

NOW THEREFORE, the Board of Directors of the District hereby RESOLVES as follows:

1. The Service Fees shall be Three Hundred Dollars (\$300.00) per year and shall be due and payable in one (1) lump sum payment at the time of closing to a homeowner, and thereafter shall be assessed against all residential dwelling units on a semi-annual basis on January 1 and July 1 of each year. Service Fees will be due and owing from the owner of a residential dwelling unit beginning at the time of closing with a homeowner 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 budget.

2. The Service Fees shall primarily be used for the provision of District Services and to own, operate and maintain District infrastructure, for common area and public improvement and service functions, 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 traditionally provided by a property owners association as permitted by Colorado law. The primary purpose of the fee is to defray the cost of services to those charged. The Service Fees shall be due and owing to Hunters Overlook Metropolitan District.

3. Any Service Fees contemplated herein that are not paid in full within fifteen (15) days after the scheduled due date shall 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 will also accrue on any outstanding Service Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

4. All Service Fees shall be due, owing and payable to the District, in cash or an equivalent form made payable to "Hunters Overlook Metropolitan District." 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 shall 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 charge reasonable legal fees and any related costs and expenses to the owners of any such real property for said collection efforts.

5. 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 the District or association serving property within the Districts, which does not exceed ten (10) acres; and/or (c) any property required by the Town of Severance to be dedicated to the Town of Severance, 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.

6. 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 benefited District 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.

7. 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 The Overlook Subdivision and Hunters Overlook Metropolitan

District Nos. 1-4 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.

8. 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.

9. 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 16th day of November, 2017.

**HUNTERS OVERLOOK  
METROPOLITAN DISTRICT NOS. 1-8**

  
\_\_\_\_\_  
President









ATTEST:

  
\_\_\_\_\_  
Secretary

# EXHIBIT A

PARCEL LEGEND		
DISTRICT	DIRECTOR PARCEL	TRACT
1	1	A
2	TRACT E	E
3	TRACT F	F
4	TRACT I	I
5	5	C
6	6	J
7	7	F
8	8	D

**LEGEND:**

- |   |            |   |            |
|---|------------|---|------------|
|  | DISTRICT 1 |  | DISTRICT 5 |
|  | DISTRICT 2 |  | DISTRICT 6 |
|  | DISTRICT 3 |  | DISTRICT 7 |
|  | DISTRICT 4 |  | DISTRICT 8 |



WELD COUNTY ROAD 21

WELD COUNTY ROAD 72



SCALE: 1" = 500'

**Farnsworth**  
GROUP  
1612 SPECHT POINT ROAD, SUITE 105  
FORT COLLINS, COLORADO 80525  
(970) 484-7477 / info@f-w.com

DISTRICT BOUNDARIES AND  
DIRECTOR PARCELS  
SEVERANCE, CO  
HUNTERS OVERLOOK  
METRO DISTRICT

Project No: 0161228.00  
Book No:  
Drawn by: RL  
Reviewed: JC  
Date: 02/08/17

J:\2016\0161228.00 - Journey Homes The Overlook Subdivision\04\_Drawings\DWG\Metro District Exhibits\District Boundaries and Director Parcels.dwg | 3/20/2017 4:12 PM | jlowery

## **EXHIBIT B**

### **Fine and Enforcement Policies of Hunters Overlook Metropolitan Districts**

When a violation is reported, the District(s) will take the following actions:

1. **First Notice of Violation-Courtesy Notice.** Owner will receive a courtesy notice by regular mail, stating they are in violation of the covenants, rules and regulations or other governing documents.

2. **Second Notice of Violation.** If the Owner has not complied by ceasing and correcting the violation within thirty (30) days of mailing of the first notice of violation, the Owner shall be sent a second notice ("Second Notice") by regular mail, certified mail or personal delivery, again giving the nature of the violation. This Second Notice shall inform the Owner that they must, within thirty (30) days of mailing of the Second Notice, cease committing the violation and must take corrective action to remedy the violation. If the violation involves a failure to submit plans for approval by the Architectural Review Committee as required by the Residential Improvement Guidelines and Site Restrictions ("Guidelines"), Section 1.1 within said time, the Owner shall cease further violation and shall submit the required plans.

3. **Third Notice of Violation-sent 30 days after 2<sup>nd</sup> Notice of Violation.** If the Owner has failed to cease the violation, take corrective action or submit plans within thirty (30) days of the Second Notice, fines shall be imposed described as follows.

Fine Schedule.

1. **First Fine.** Any fine imposed pursuant to the provisions set forth in this policy shall be imposed at the rate of \$50.00 for the first thirty (30) days after the Second Notice.

2. **Second Fine.** \$100.00 for the second fine thirty (30) days after the First Fine.

3. **Third Fine and Subsequent Fines:** \$150.00 for the third and subsequent fines beginning to accrue no earlier than ten (10) days following the Second Fine Notice. Beginning with the third fine of \$150, the Owner may be advised that the District(s) may take whatever action it deems necessary, including alternate dispute resolution or legal action to reach compliance, and that the Owner shall be responsible for payment of any court costs, attorney fees, and other association fees, any or all of which would be levied as an assessment.

4. If the Owner is still not in compliance within thirty (30) days subsequent to the Third Fine, additional fees will accrue at the rate of \$150.00 per month until final resolution is reached.

5. When fines accrue against an owner to the amount of \$500.00, the District(s) shall take the position that the imposition of fines is ineffective in accomplishing compliance and shall then determine what further enforcement action is necessary.

6. Nothing in this policy requires the District(s) to assess fines before taking other forms of enforcement.

7. Any fines assessed shall be added to amounts due by the Owner and shall be a lien against the unit and enforceable as a lien pursuant to the Declaration and Colorado Law.

8. Additional forms of enforcement include taking corrective action at the expense of the Owner, the filing of a covenant enforcement action in court, and foreclosure on the Owner's unit. If legal action is necessary, the owner shall be responsible for all attorney's fees and costs.

#### Payment Plans.

1. Any Owner experiencing financial difficulties is encouraged to contact the District(s) rather than let the account become more and more delinquent. The District(s) has/have some latitude in working with Owners to bring accounts current to include payment plans.

2. Any Owner desiring to set up payment plan to bring their account current must send a written request to the District(s). Any payment plan entered into between the District(s) and an Owner will provide for minimum equal payment over no less than a six (6) month period unless the Owner agrees to a shorter period of time. In the event a payment plan is entered and the Owner fails to make any payment or fails to pay their regular assessments as they become due, the Owner shall be in default under the plan and the District will be entitled to immediately pursue all legal remedies available to it to collect.

3. Payment plans are not available in the following circumstances:

A. The Owner is not living in the property and acquired the property as a result of a default in a security interest on the property (in most cases this would be foreclosure by the mortgage company) or as a result of foreclosure of the District's lien.

B. If the Association has already previously entered into a payment plan with the Owner, it is not required to enter into another payment plan.