

RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
RIVERDALE DUNES METROPOLITAN DISTRICT NO 1

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

WHEREAS, Riverdale Dunes Metropolitan District No. 1 (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, the property within the District's boundaries is subject to that certain Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for the Dunes Park Subdivision, recorded in the real property records of the Clerk and Recorder of Adams County, Colorado on January 17, 2017, at Reception Number 2017000004093 (the "Declaration"); and

WHEREAS, pursuant to the Declaration, the District is responsible for providing covenant enforcement, architectural review approval and other administrative services for the Property within the District and subject to the Declaration; and

WHEREAS, pursuant to the Declaration and §38-33.3-302(1)(k), C.R.S., the District has the authority to impose reasonable fines upon owners of Property subject to the Declaration for violations of the Declaration and any rules and regulations of the District, after providing such owner with notice and the opportunity for a hearing (the "Fines"); 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, pursuant to §38-33.3-316(1) and (11), C.R.S., the District has a statutory lien on the property subject to any Fine, which may be foreclosed in the same manner as a mortgage on real estate; 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 and/or Fines imposed by the District, together with any and all Late Fees, Interest, Penalties and Costs of Collections, (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; and

WHEREAS, the Board desires to adopt this Resolution.

NOW, THEREFORE, the Board hereby RESOLVES:

1. Statement of Lien Guidelines:

- a. Perpetual Lien. Pursuant to § 32-1-1001(i)(j)(l), C.R.S. and § 38-33.3-316(1) and (11), C.R.S., all Delinquent Fees and Charges shall constitute a perpetual lien on and against the Property served by the District or the property subject to the Fine, as applicable (the "Lien"). Every Lien 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. Every Lien 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, (the "Manager") is responsible for collecting Fees and/or Fines imposed by the District against the Property. In the event payment of Fees and/or Fines is delinquent, the Manager may perform the procedures listed below. The Manager is not required to provide a payment plan, as discussed below in Section b(i)(b), if the owner does not occupy the unit and has acquired the property as a result of a default of a security interest encumbering the unit or foreclosure of the District's Lien; or, if the owner had previously entered into a payment plan under C.R.S. §38-33.3-209.5. The Fees and/or Fines are considered delinquent when they have not been paid by their corresponding due date (the "Delinquent Account"):
 - i. Thirty (30) Calendar Days Past Due: A delinquent payment "Reminder Letter" shall 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 shall 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 Adams County Assessor's Office (the "Assessor") (collectively, the "Property Address"). Said Reminder Letter shall: (1) request prompt payment; (2) notify the Property owner that a Fee in the amounts set forth in this Resolution have been assessed; (3) reference the URL address of the District's webpage where this Resolution is displayed, if available and requested by the Board; and (4) shall include the following:

1. The total amount due to the District; and
 2. A name and contact information for an individual the Property owner may contact to request a copy of the Property owner's ledger in order to verify the amount of the debt.
- ii. Thirty (30) 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 web page where this Resolution is displayed, if available.
 - iii. Thirty (30) 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 \$150.00, the Manager may refer the Delinquent Account to the District's General Counsel (the "General Counsel") or to a collection agency. 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 I(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 to 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 Adams County Clerk and Recorder's Office (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. The District may choose to foreclose on its lien. The District shall consider individually each recommendation for a foreclosure. Any foreclosure action shall be approved by the Board of Directors of the District via resolution, or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

2. Late Fees and Interest:

- a. Late fees may be assessed on the Property for failure to make timely payments of Fees and/or Fines. 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 Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

3. Penalties:

- a. "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.

4. Return Check Charges:

- a. A return check fee, not to exceed \$25.00, shall be assessed against a Property owner in the event any check or other instrument attributable to or payable for the benefit of such property Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the District shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Property owner of the property for which payment was tendered to the District. Returned check charges shall become effective on any instrument tendered to the District for payment of sums due. If two or more of a Property owner's checks are returned unpaid by the bank within any fiscal year, the District may require that all of the Property owner's future payments, for a period of one year, be made by certified check or money order. This return check charge shall be in addition to any

Penalties incurred by a Property owner. Any returned check shall cause an account to be past due if full payment of the underlying Fee and/or Fine is not timely made within 15 days of the due date.

5. Costs of Collections:

- a. "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.
- b. 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.
- c. 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. For all Delinquent Accounts where (1) unpaid Costs of Collections exceeds \$150 and (2) the Property owners have either failed to enter into a payment plan with the District or are delinquent on their payment plan with the District, the District Manager shall submit the Costs of Collections for all such Delinquent Accounts to the Board for consideration to turn over such amounts to the Adams County Treasurer ("County Treasurer") for collection. In accordance with §32-1-1101{1}(e), the Board may elect, by resolution, at a public meeting held to have all unpaid Costs of Collections certified to the County Treasurer to be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to section §39-10-107, C.R.S.

6. Waiver of Late Fees and Costs of Collections:

- a. The Manager has authority and discretion to waive or reduce positions of the Delinquent Account attributable to Fines. Notwithstanding the foregoing, the Manager shall not have the authority to waive Fines which, in the aggregate, exceeds One Hundred Fifty Dollars (\$150.00) each calendar year. In such case, the person or entity owing in excess of One Hundred Fifty Dollars (\$150.00) in Fines 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 Costs of Collections. Should the Property owner desire a waiver of such 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 Fines or Costs of Collections granted pursuant to Sections 6(a) or (b) hereof shall not be construed as a waiver or reduction of future Fines or Costs of Collections, or as the promise to waive or reduce future Fines or Costs of Collections. 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. Ratification of Past Actions:

- a. All acts, omissions, waivers and/or payment plans hereto for 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.

8. Additional Actions:

- a. 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.

9. Deviations:

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

10. Supersedes Prior Resolutions:

- a. This Resolution shall supersede and replace in their entirety all prior resolutions addressing the processing and/or collection of Delinquent Fees and Charges, including the Prior Policy. 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:

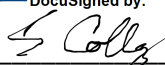
- a. If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions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

- a. 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.


ADOPTED this 17.00 day of July, 2023.

RIVERDALE DUNES METROPOLITAN DISTRICT NO. 1

DocuSigned by:

33E6A5CC5C4F4BE...

Board President

ATTEST:
DocuSigned by:


79022F02BF3C43D...

Board Secretary