

**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 homeowners association ("HOA") 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 HOA 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 and the HOA (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 by an HOA for operations and maintenance, capital reserves. The Service Fees will replace the HOA Fees and eliminate the need to assess a separate 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

13

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 not economical or desirable to have a HOA 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 an HOA 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 HOA 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 that have pulled a certificate of occupancy with the City of Colorado Springs within the District on an 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 on January 1, and shall be assessed against all residential dwelling units that have a certificate 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 and shall be assessed residential dwelling units on an 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 third party owner 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 on a commercial lot which has been granted a certificate of

occupancy for a building are due and payable when the owner receives a certificate of occupancy or upon closing and transfer to a new owner. The Fee will be assessed from the date of that certificate of occupancy issuance or closing on the property. The Service Fees on a commercial lot will be at a minimum the same rate as a residential unit, but may be adjusted due to added landscape or other conditions. Service Fees on commercial lots will be reviewed when the architectural design application is submitted with the site plans to the District and collected at the time of certificate of occupancy or closing. The Service Fees shall be due and payable in one (1) lump sum payment on January 1, and shall be prorated for the portion of the quarter in which Service Fee is in effect.

3. The Service Fees shall primarily be used for the assumption of the HOA 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 HOA 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.

4. 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.

5. 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.

6. 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 Districts, which does not exceed ten (10) acres; and/or (c) any property required by the City of Colorado Springs to be dedicated to the City of Colorado Springs, 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.

7. 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 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.

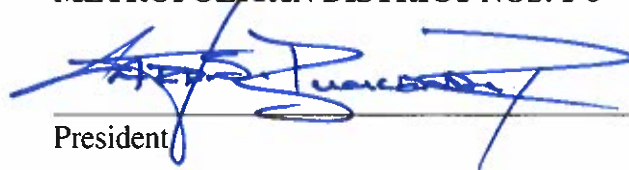
8. All Service Fees and all other fees, rates, tolls, charges and penalties contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the District or to be provided by the District within a reasonable amount of 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 Covenants and Restrictions of Hunters Overlook Metropolitan District 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.

9. 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.

10. 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.

RATIFIED AND REAPPROVED to be effective as of the 22nd day of August, 2018

**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 |



Farnsworth
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**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

B

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 2nd 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.

13

SCHEDULE OF FINES

Violation	Amount of Fine				Assess	
	1st	2nd	3rd	Thereafter		
Architectural Committee Review and Approval Required	Warning	\$25	\$50	\$50	Bi-weekly	
Architectural Review, Improvement not Conforming to Request/Approval	Warning	\$25	\$100	\$200	Bi-weekly	
Residential Use: Professional or Home Occupation	Warning	\$25	\$100	\$200	Bi-weekly	
Declaration of Covenants, Other Not Listed	Warning	\$25	\$50	\$50	Bi-weekly	
Drainage & Irrigation	Warning	\$25	\$50	\$50	Bi-weekly	
Household Pets	Warning	\$25	\$50	\$50	Bi-weekly	
Leases	Warning	\$25	\$50	\$50	Bi-weekly	
Vehicle Parking, Storage and Repairs	Warning	\$25	\$50	\$50	Bi-weekly	
Light, sound and Orders	Warning	\$25	\$50	\$50	Bi-weekly	
Nuisances	Warning	\$25	\$50	\$50	Bi-weekly	
Hazardous Activities	Warning	\$25	\$50	\$50	Bi-weekly	
Completion of Landscape	Warning	\$25	\$50	\$50	Bi-weekly	
Lot Maintenance	Warning	\$25	\$50	\$50	Bi-weekly	
Miscellaneous Requirement & Improvements including signage	Warning	\$25	\$50	\$50	Bi-weekly	
Temporary Structures	Warning	\$25	\$50	\$50	Bi-weekly	
Trash and Materials	Warning	\$25	\$50	\$50	Bi-weekly	