

**RESOLUTION OF THE BOARD OF DIRECTORS OF SIERRA RIDGE
METROPOLITAN DISTRICT NOS. 1 AND 2 CONCERNING
COLLECTION OF PAST DUE AMOUNTS**

WHEREAS, Sierra Ridge Metropolitan Districts Nos. 1 and 2, Douglas County, Colorado, are metropolitan districts as defined in Section 32-1-1004, C.R.S., and quasi-municipal corporation and political subdivision of the State of Colorado (collectively the "District"); and

WHEREAS, the District was organized to provide, and is providing, public services and facilities within and without its boundaries; and

WHEREAS, the District, pursuant to Section 32-1-1001 (d), C.R.S., as amended, may enter into contracts and agreements affecting affairs of the District; and

WHEREAS, the District, pursuant to Section 32-1-1001(n), C.R.S., as amended, has the general power to exercise all rights and powers necessary, incidental to or implied from the specific powers granted to the District.; and

WHEREAS, pursuant to Section 32-1-1004(8), C.R.S., as amended, the board of a metropolitan district has the power to furnish covenant enforcement and design review services on behalf of a master association or similar body within the district if the governing body of the applicable master association or similar body and the metropolitan district have entered into a contract to define the duties and responsibilities of each of the contracting parties, including the covenants that may be enforced by the district or the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement or design review entity, and the covenant enforcement services of the district do not exceed the enforcement powers granted by the contract, declaration, rules and regulations, or any similar document containing the covenants to be enforced; and

WHEREAS, pursuant to Section 32-1-1001(j), C.R.S. as amended, the board of a metropolitan district has the authority to fix, and from time to time increase or decrease fees, rates, tolls, penalties, or charges and until paid, all such fees, rates tolls, penalties, or charges shall constitute a perpetual lien on and against the property served ("Property") and any such lien may be foreclosed in the same manner as the foreclosure of mechanics' liens; and

WHEREAS, pursuant to the Rules and Regulations of the District, certain fees and charges have been authorized and imposed within the District for services, programs, or facilities furnished by the District, and the District Board of Directors has determined that it is necessary to adopt certain policies and procedures in regard to collection thereof; and

WHEREAS, Section 29-1-1102, C.R.S. governs the delinquency charges that may be imposed by a local government, including metropolitan districts, which the District desires to incorporate into its collection policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sierra Ridge Metropolitan District No. 1 that the "Policy for Collection of Past Due Amounts" is adopted as follows:

1. **Due Dates.** The payment of District fees as imposed by the District shall be due and payable on the first day of the first month of each quarter (January 1, April 1, July 1 and October 1) unless such fees and payments are required to be made as a one-time payment at the election of the Board. District fees or other charges not paid in full to the District on or before the due date shall be considered past due and delinquent. District fees or other charges not paid in full to the District within thirty (30) days of the due date shall incur late fees and interest as provided below. In the event notice is given to delinquent Owner(s), the Owner(s) of the property shall also be charged any costs incurred by the District in giving notice of such past due amounts and any other costs incurred by the District for collection of same.
2. **Receipt Date.** The District shall post payments on the day that the payment is received in the Management office.
3. **Late Charges on Delinquent Installments.** The District may impose a \$15.00 late fee, or up to five percent per month or fraction thereof, not to exceed a total of twenty-five percent of the amount due, whichever is greater for each Property which fails to timely pay any District fee within (5) five days of the scheduled due date. The past due amount together with this late charge shall constitute a statutory and perpetual lien against the Property served.
4. **Other Charges.** To the extent permitted by law, the District may levy and assess charges, costs and fees, for matters such as, but not limited to, the following, in such amount(s) as the Board of Directors may determine, including reimbursement of charges that are made on behalf of the District by its managing agent or other Person; copying of District or other documents; returned checks; bank fees; transfer charges or fees upon transfer of ownership of a Property; notices and demand letters; and other charges incurred by the District. As an additional expense permitted under this policy and by Colorado law, the District shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of District fees or other charges due the District from a delinquent owner and Property, together with post-judgment and appellate attorneys' fees and costs that may be incurred. The reasonable attorney fees and collection costs incurred by the District shall be due and payable immediately when incurred, upon demand and shall constitute a perpetual lien against the Property.
5. **Application of Payments.** All payments received on account of any Property, shall be applied to payment of any and all legal fees and costs (including attorney fees and collection agency fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Property pursuant to the Declaration, Service Plan, Bylaws, Rules and Regulations, or this Policy, prior to application of the payment to any special or regular assessments due or to become due with respect to such Property.
6. **Collection Process:**
 - a. Courtesy Statement. After an installment of a District fee or other charge due to the District becomes more than ten (10) days delinquent, the District will send a Statement of Account.
 - b. First Notice of Delinquency. After an installment of a District fee or other charge due to the District becomes more than thirty (30) days delinquent, the District will send a

written notice ("First Notice") of nonpayment, stating the amount past due, notice that late fees will accrue and request for immediate payment.

- c. Second Notice of Delinquency. After an installment of District fees or other charges due to the District becomes more than sixty (60) days delinquent, the District shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late fees will continue to accrue and request for immediately payment.
- d. Final Notice of Delinquency After an Installment of District fees or other charges due to the District becomes more than ninety (90) days delinquent and another installment is due, the District may, in its sole discretion, turn the account over to an attorney, or take such other action as it deems appropriate and as authorized under Colorado law to collect the delinquent account.

7. **Bankruptcies and Foreclosures.** Upon receipt of any notice of a bankruptcy filing by an owner of a Property, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against a delinquent Property within the District, the District Manager shall notify the District's attorney of the same and turn the account over to the District's attorney, if appropriate.

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

The District's Board of Directors shall hereafter take or direct such additional actions to be taken, and execute such other or additional documents as may be necessary to effect the intents and purposes of the actions reflected herein.

RESOLVED and EFFECTIVE this 9 day of September 2020.

**SIERRA RIDGE METROPOLITAN
DISTRICTS NOS. 1 AND 2**

By: 
President

ATTEST:

Secretary