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**JOINT RESOLUTION OF THE BOARDS OF DIRECTORS OF
EAGLE BROOK MEADOWS METROPOLITAN DISTRICT NOS. 1, 2 AND 3**

A RESOLUTION APPROVING THE IMPOSITION OF AN OPERATIONS AND MAINTENANCE FEE TO DEFRAY COSTS ASSOCIATED WITH OPERATING AND MAINTAINING PUBLIC IMPROVEMENTS WITHIN THE BOUNDARIES OF EAGLE BROOK MEADOWS METROPOLITAN DISTRICT NOS. 1, 2 AND 3.

WHEREAS, the formation of Eagle Brook Meadows Metropolitan District Nos. 1, 2 and 3 (the “Districts”) was approved by the City of Loveland City Council on September 18, 2018, in conjunction with the approval of the “Consolidated Service Plan for Eagle Brook Meadows Metropolitan District Nos. 1 – 3” (the “Service Plan”) and by the Districts’ respective electors at the Districts’ organizational elections held on November 6, 2018; and

WHEREAS, the purposes for which the Districts were formed include the provision of, among other things, street, traffic and safety, water, sanitation, parks and recreation, public transportation, television relay and translation, mosquito control and security improvements (collectively, the “Public Improvements”) for the Eagle Brook Meadows development, as further provided in the Service Plan; and

WHEREAS, pursuant to the Service Plan, the Districts are to work together and coordinate their efforts with respect to all activities contemplated in the Service Plan, including, but not limited to, the management and administration of the Districts, structuring of financing, coordination of construction, and the operations and maintenance of Public Improvements serving the Districts, with Eagle Brook Meadows Metropolitan District No. 1 (the “District” or “District No. 1”) acting on behalf of the Districts in regard thereto; and

WHEREAS, on August 31, 2021, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations, as amended by that First Amendment to Amended and Restated Intergovernmental Agreement Concerning District Operations dated November 4, 2021, as may be further amended from time to time (the “Operations IGA”) to amend and clarify the terms, rights and responsibilities of the Districts with respect to (i) the provision and funding of Public Improvements, (ii) the repayment of the Reimbursement Obligations (as defined in the Operations IGA), and (iii) the provision and funding of operating, maintenance and administrative expenses of the Districts and the repayment of the O&M Obligations (as defined in the Operations IGA); and

WHEREAS, as contemplated by the Service Plan and as provided in the Operations IGA, District No. 1 will own (subject to discretionary transfer to other governmental entities or authorities), construct, operate and maintain the Public Improvements described in the Service Plan benefiting the Districts, and Eagle Brooke Meadows Metropolitan District No. 2 (“District No. 2”) and Eagle Brooke Meadows Metropolitan District No. 3 (“District No. 3,” together with District No. 2, the “Financing Districts”) will assist in the payment of costs related thereto; and

WHEREAS, pursuant to Paragraph 2.a. of the Operations IGA, the obligation of District No. 1 to operate and maintain the District-Owned Improvements is subject to the Financing

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Districts providing moneys sufficient to fund the same via the imposition of an ad valorem mill levy on property within their boundaries and, if necessary, fees or other charges, sufficient to fund the operation and maintenance costs of the District-Owned Improvements (as such term is defined in the Operations IGA, and includes Public Improvements owned by District No. 1); and

WHEREAS, pursuant to the Service Plan and Section 32-1-1001(1)(j)(I), C.R.S., the Boards of Directors of the Districts are authorized to impose and, from time to time, to increase or decrease fees, rates, tolls, penalties, or charges for services, programs or facilities furnished by the Districts; and

WHEREAS, Section 32-1-1001(1)(j), C.R.S., also provides that until paid, all such fees, rates, tolls, penalties or charges shall constitute a perpetual lien on and against the property served, which 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, for fiscal year 2023, the Districts have determined that the Financing Districts will generate insufficient revenues from the imposition of an ad valorem mill levy to cover the costs incurred by District No. 1 to operate and maintain landscaping, hardscapes, storm water, utilities, including repairs and replacements related thereto, and performing utility locates (collectively, the "Improvements"); and

WHEREAS, to defray the costs related to the operation and maintenance of the Improvements to be provided by District No. 1 during fiscal year 2023, District No. 1 has determined to impose an operations and maintenance fee on all properties within the Districts, as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF EAGLE BROOK MEADOWS METROPOLITAN DISTRICT NOS. 1, 2 AND 3 THAT:

1. Adoption of Operations and Maintenance Fee. To defray the District's costs associated with the operations and maintenance of the Improvements, the District hereby imposes, an annual operations and maintenance fee in the amount of \$700.00 (the "O&M Fee") on each "residential dwelling unit" located within the boundaries of the Districts, as more particularly described on **Exhibit A** attached hereto and incorporated herein by reference. The Financing Districts hereby acknowledge the necessity of the imposition of the O&M Fee in compliance with Paragraph 2.a. of the Operations IGA. For purposes of this Paragraph 1, a "residential dwelling unit" includes each single-family home constructed on a lot in District No. 2 and each townhome constructed on the property located in District No. 3 (each residential dwelling unit, a "Unit"). The O&M Fee shall be due and owing from each Unit that has received a certificate of occupancy.

2. Payment of O&M Fee. The O&M Fee shall be due and payable in four (4) equal quarterly payments of \$175.00. The District shall bill the O&M Fee quarterly to each owner of a Unit (the "Unit Owner") located within the Districts. The O&M Fee shall be due within 30 days of the invoiced date, in U.S. funds, made payable to "Eagle Brook Meadows Metropolitan District." Pursuant to Section 32-1-1001(1)(j)(1), C.R.S., until paid, the O&M Fee and any other fee, interest or charge imposed hereunder, constitutes a perpetual lien against the property served,

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which lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens.

3. Modification of O&M Fee/Future Events. The O&M Fee imposed herein has been established based on projected budgetary requirements of the District using various assumptions regarding annual costs of operations and maintenance expenses for the Improvements. Actual costs may differ from projections, and the District may decide to modify the O&M Fee in the future to account for the actual costs of the Improvements.

4. Policies and Procedures for Collection of Unpaid O&M Fees, Penalties and Charges. The District's current policies and procedures regarding the collection of unpaid O&M Fees, interest, late fees and other charges related to the collection of delinquent O&M Fees are set forth in **Exhibit B** attached hereto and incorporated herein by reference. These policies and procedures may be terminated, amended or supplemented by action of the Board at any time.

5. Defenses. Failure of the District and its representatives to comply with any provision in this Resolution, including provisions set forth in any Exhibit Attached hereto, shall not be deemed a defense to payment of the O&M Fee and any other fee described herein and imposed by the District pursuant to this Resolution.

6. Actions to Effectuate Resolution. The District's Manager and District's General Counsel are authorized and directed to take all actions necessary and appropriate to effectuate the provisions of this Resolution and the imposition and collection of the O&M Fee contemplated hereunder. All actions consistent with the provisions of this Resolution taken by the members of the Board, the District's Manager, the District's General Counsel, and the officers and agents of the District are hereby ratified, approved, and confirmed.

7. Recording. The Resolution shall be recorded in the records of the Larimer County Clerk and Recorder against the taxable real property described in **Exhibit A** attached hereto and incorporated herein by reference.

8. Severability. If any section, paragraph, clause or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining sections, paragraphs, clauses, or provisions of this Resolution, it being the intention that the various parts hereof are severable.

9. Amendment. This Resolution, without limitation, the amount of the O&M Fee and any Exhibits attached hereto, may be amended by the Board from time to time, in its sole discretion.

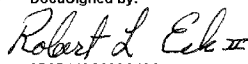
10. Effective Date. This Resolution, including all Exhibits attached hereto, and the O&M Fee imposed herein shall take effect on the date and at the time of adoption and shall continue in force and effect until amended or rescinded by the Districts.

(Signatures appear on following page)

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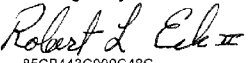
ADOPTED AND APPROVED this 15th day of November, 2022.

EAGLE BROOK MEADOWS METROPOLITAN
DISTRICT NO. 1

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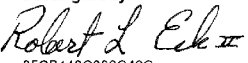
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By: Robert L. Eck, II, President

EAGLE BROOK MEADOWS METROPOLITAN
DISTRICT NO. 2

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By: Robert L. Eck, II, President

EAGLE BROOK MEADOWS METROPOLITAN
DISTRICT NO. 3

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By: Robert L. Eck, II, President

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EXHIBIT A

**LEGAL DESCRIPTION OF PROPERTY
SUBJECT TO OPERATIONS AND MAINTNEANCE FEE**

The Property subject to this Resolution is situated in the County of Larimer, State of Colorado, and is described as follows:

Lots 1 through 32, both inclusive, Block 1; Lots 1 through 12, both inclusive, Block 2; Lots 1 through 12, both inclusive, Block 3; Lots 1 through 22, both inclusive, Block 4; Lots 1 through 18, both inclusive, Block 5; Lots 1 through 15, both inclusive, Block 6; Lots 1 through 19, both inclusive, Block 7; Lots 1 through 19, both inclusive, Block 8; Lots 1 through 17, both inclusive, Block 9; Lots 1 through 16, both inclusive, Block 10; Lots 1 through 18, both inclusive, Block 11; Lots 1 through 9, both inclusive, Block 12; Lots 1 through 12, both inclusive, Block 13; Lots 1 through 12, both inclusive, Block 14; Lots 1 through 10, both inclusive, Block 15; Lots 1 through 14, both inclusive, Block 16; Lots 1 through 9, both inclusive, Block 17; Lots 1 through 11, both inclusive, Block 18; Lots 1 through 12, both inclusive, Block 19; Lots 1 through 8, both inclusive, Block 20; Tracts A, B, C, D, E, F, G, H, I, J, K, L; Outlot A; All being in Eagle Brook Meadows First Subdivision to the City of Loveland, Colorado, according to the plat thereof recorded in the Clerk and Recorder's Office of Larimer County, Colorado on November 28, 2006 at Reception No. 20060089602, City of Loveland, County of Larimer, State of Colorado.

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EXHIBIT B

EAGLE BROOK MEADOWS METROPOLITAN DISTRICT NOS. 1-3 COLLECTION POLICY FOR DELINQUENT O&M FEES

(Effective as of November 15, 2022)

Eagle Brook Meadows Metropolitan District No. 1's (the "District") policies and procedures for collecting delinquent O&M Fees are as follows:

1. *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 the O&M Fee imposed by the District against the Unit. Subject to the provisions of Paragraph 4 of this Collection Policy, in the event payment of the O&M Fee is delinquent, the Manager may perform the procedures listed below. The O&M Fee is considered delinquent when the O&M Fee has not been paid by the due date (the "Delinquent Account"):

- a. *Thirty (30) Calendar Days Past Due:* A delinquent payment "Reminder Letter" will be sent to the address of the last known owner of the Unit 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 Unit; and (2) the address of the last known owner of the Unit as found in the real property records of the Larimer County Assessor's Office (the "Assessor") (collectively, the "Property Address"). Said Reminder Letter will: (1) request prompt payment; (2) notify the Unit owner that interest and a late fee in the amounts set forth in the Resolution have been imposed for the delinquent O&M Fee (collectively, the "Delinquent Fees"); and (3) reference to the District's webpage where this Resolution is displayed.
- b. *Sixty (60) Calendar Days Past Due:* A "Warning Letter" will be sent to the Property Address: (1) requesting prompt payment, including all Delinquent Fees then owed; (2) warning of further legal action should the Unit Owner fail to pay the total amount due and owing; and (3) explaining that the Manager can provide a copy of the Resolution upon request. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total Delinquent Fees due and owing to the District according to the records of the Manager may also be sent.
- c. *Delinquent Accounts Post Warning Letter:* The District Manager shall continue to monitor the Delinquent Account until either (i) the amount of the Delinquent Fees owing on such Delinquent Account are equal to or greater than the amount that would be collected under the current rate for collecting the O&M Fee over a one year period, or (ii) the account is more than six (6) months past due, at such time, the Manager may refer the Delinquent Account to the District's General Counsel (the "General Counsel") for further collection. 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.

DocuSign Envelope ID: 95B10599-9A7D-42F5-B878-ACDD8D5A50C8

- d. Deviations. The Manager may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances, and upon notice of such deviation to members of the Board.
- e. Bankruptcies and Foreclosures. Upon receipt of a notice of a bankruptcy filing by a Unit Owner or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any property, the District Manager shall refer the account over to the District's General Counsel for processing in the bankruptcy or foreclosure proceedings.

2. *General Counsel Procedures*. Upon referral of any Delinquent Account from the Manager, the District's General Counsel shall take all appropriate action to collect the accounts referred, which may include the engagement of outside legal counsel specializing in the collection of unpaid O&M Fees and the Collection Fees associated therewith upon consultation with the Board. The account shall remain with the District's General Counsel until the account is settled, has a zero balance or is written off. The District's General Counsel is authorized to take whatever action is necessary and determined to be in the best interests of the Districts including, without limitation:

- (a) Recording a Statement of Lien against the property where the Unit is located;
- (b) Filing of a suit against the delinquent Unit Owner for a money judgment;
- (c) Instituting a judicial foreclosure action of District No. 1's lien;
- (d) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the District's interests; and
- (e) Filing a court action seeking appointment of a receiver.

3. *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 Unit Owner, the Unit Owner may submit a written request to the Board and the Board may make the determination in its sole discretion to approve a payment plan for the Unit Owner.

4. *Waivers*. The Manager will waive any late fees and interest due resulting from the late payment of the first quarterly O&M Fee due by a Unit. Thereafter, the Manager shall have the authority to waive late fees and interest which, in the aggregate, do not exceed One Thousand Dollars (\$1,000.00), exclusive of the O&M Fee. Waiver of any late fees and interest which, in the aggregate, exceed One Thousand Dollars (\$1,000.00) shall require approval of the Board. One waiver or extension shall not be construed as the Board's consent to any other or additional waivers or extensions.

5. *Interest, Penalties and Charges*. The District shall be entitled to charge and collect the following costs and expenses associated with the collection of delinquent O&M Fees.

- a. Interest and Penalties Imposed for Nonpayment. The District may impose such penalties for non-compliance herewith as may be permitted by law. Without limiting the foregoing, any O&M Fee not paid in full within thirty (30) days after the scheduled due date may be assessed a late fee of fifteen dollars (\$15.00), not to exceed 25% of the amount due, pursuant to Section 29-1-1102(3), C.R.S. Interest may also accrue on any outstanding O&M Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

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b. Returned Check Charges. A “Returned Check Fee” of twenty dollars (\$20.00) shall be assessed against the Unit Owner if the Unit Owner’s check or other instrument attributable for payment of the O&M Fee is not honored by the bank or is returned to the District for any reason whatsoever, including but not limited to insufficient funds. The Returned Check Fee shall be due and payable immediately upon demand. Notwithstanding this provision, the District shall be entitled to pursue any and all other or additional remedies as may be available by law. If two or more of a Unit Owner’s checks are returned unpaid within any calendar year, all remaining payments due from the Unit Owner shall only be accepted in the form of cashier’s check or money order.

c. District Expenses of Collection. The District may charge property owners for all costs and expenses associated with collecting an unpaid O&M Fee and associated late fees and interest, including, including without limitation attorneys’ fees and costs, court costs, costs of service, District management and accountant costs incurred to collect the O&M Fee, and all other costs incurred in the collection of O&M Fees.