

**COLLECTIONS RESOLUTION OF  
MURPHY CREEK METROPOLITAN DISTRICT NO. 3**

WHEREAS, pursuant to orders and decree of the District Court of Arapahoe County, Colorado, the Murphy Creek Metropolitan District No. 3 (the "District") was duly and validly organized as a special district in accordance with all applicable laws of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(I)G(I), C.R.S., the Board of Directors (the "Board") of the District 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 to properties within the District's boundaries (individually the "Property"); and

WHEREAS, such fees, when unpaid, shall constitute a perpetual lien on and against the Property; and

WHEREAS, by this Resolution (the "Resolution"), the District desires to set forth policies and procedures for the collections of fees imposed by the District related to operations and maintenance (the "Fees and Charges"); and

WHEREAS, this Resolution shall not control the collection of fees, rates, tolls, penalties, or charges related to costs for capital improvements.

NOW, THEREFORE, it is hereby resolved by the Board as follows:

**1. Lien Filing Policies and Procedures:**

- a. ***Perpetual Lien.*** Pursuant to § 32-1-101 C.R.S., all Fees and Charges, until paid, shall constitute a perpetual lien on and against the Property to be served by the District. All such liens 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. All liens contemplated herein may be foreclosed as authorized by law at such time as the District in their sole discretion may determine. Notwithstanding the foregoing, the lien policies and procedures set forth in this Resolution shall be implemented in order to ensure an orderly and fair execution of the lien filing and collections process.
- b. ***District's Manager Procedures.*** The District's Manager (the "Manager") shall be responsible for collecting Fees and Charges imposed by the District against the Property. In the event payment of Fees and Charges is delinquent, the Manager shall perform the procedures listed below. The Fees and Charges are considered delinquent when they have not been paid by their corresponding due date (the "Delinquent Account"):
  - i. ***Fifteen (15) Calendar Days Past Due:*** A delinquent payment "Reminder Letter" shall be sent to the address of the last known owner 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 Arapahoe County Clerk and Recorder (collectively the "Property Address"). Said Reminder Letter shall: (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee and a Late Fee in the amounts set forth in Section 4 and Section 2 of this Resolution respectively have been assessed; and (3) reference the web-based (URL) address for the summary of this resolution displayed on the District's webpage.



**2. Late Fees:**

- a. "Late Fees" are assessed on the Property for failure to make timely payments of Fees and Charges. The following policies apply consistently and uniformly, regardless of whether the Fees and Charges are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.
- b. The Manager shall assess the Late Fee on the Property Fifteen (15) calendar days from the payment due date. Pursuant to § 29-1-1102, C.R.S., such Late Fee shall be charged by either of the following two methods, whichever is greater:
  - i. One Late Fee of Fifteen Dollars (\$15.00) will be assessed on the Property per each assessment of Fees and Charges not fully paid prior to the Fifteenth (15) calendar day following the payment due date; or
  - ii. In lieu of Section 2(b)(i) above, a Late Fee of Five Percent (5%) per month, commencing on the Fifteenth (15) calendar day following the payment due date, and each month thereafter, will be charged on unpaid Fees and Charges until the Late Fee equals Twenty Five Percent (25%) of all outstanding Fees and Charges.

*Example:*

January 1 Fee (unpaid)	-\$100
5% Late Fee (January 15)	-\$5
February 1 Fee (unpaid)	-\$100
5% Late Fee (February 15)	-\$10
<b>Net Balance</b>	<b>\$215</b>

Such charges shall continue each month until such time as the total amount of Late Fees equals 25% of the total unpaid Fees and Charges

- c. Partial payment of any outstanding Fees and Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

*Example:*

January 1 Fee (unpaid)	-\$100
Partial Payment on January 5	\$90
Late Fee (January 15)	-\$15
<b>Net Balance</b>	<b>-\$25</b>

- d. Payments received shall be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Costs of Collections; (4) the earliest imposed and unpaid Fees and Charges; (5) any successive unpaid Fees and Charges in chronological order from the earliest unpaid Fees and Charges to the most recently imposed Fees and Charges.

Example A:

January 1 Fee (unpaid)	-\$100
Jan. Pmt. Late Fee (January 15)	-\$15
February 1 Fee (unpaid)	-\$100
Feb. Pmt. Late Fee (February 15)	-\$15
March 1 Fee (unpaid)	-\$100
Payment on March 10	\$280
<b>Net Balance</b>	<b>-\$50</b>

*Late Fees Balance = \$0*  
*Fees and Charges Balance = -\$50*

Example B:

January 1 Fee (unpaid)	-\$100
Jan. Pmt. Late Fee (January 15)	-\$15
February 1 Fee (unpaid)	-\$100
Payment on February 10	\$15
Feb. Pmt. Late Fee (February 15)	-\$15
<b>Net Balance</b>	<b>-\$80</b>

Feb. 1 Pmt. is applied in the following order: (1) Jan. 15 Late Fee; (2) Jan. 1 Fee; and (3) to the February Fee

*Late Fees Balance = -\$15*  
*Fees and Charges Balance = -\$65*

- e. No penalty shall be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees and Charges. Such credit balances shall be carried forward on the account with all subsequent Fees and Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance shall be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees and Charges due and owing the District.

Example:

January 1 Fee	-\$100
Payment on January 2	\$350
February 1 Fee	-\$100
March 1 Fee	-\$100
April 1 Fee	-\$100
Late Fee (April 15)	-\$15
<b>Net Balance</b>	<b>-\$65</b>

### 3. Interest:

"Interest" charges accrue and shall be charged on all delinquent Fees and Charges, but shall not accrue and be charged on penalties (i.e. Late Fees, Interest, and Costs of Collections), at the maximum statutory rate of Eighteen Percent (18%) per annum.

**4. Costs of Collections:**

"Costs of Collections" are generated through the Manager, Collection Firm and General Counsel's collection efforts. They consist of the following fixed rates and hourly fees and costs:

- i. *Attorney Hourly Fees and Costs.* After a lien has been filed, all hourly fees and costs generated by General Counsel to collect unpaid Fees and Charges shall also be assessed to the Delinquent Account.
- ii. *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 the Costs of Collections whether or not outlined above.

**5. Waiver of Late Fees, Interest, and Costs of Collections:**

- a. The Manager and General Counsel shall each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest. Such action shall be permitted if either the Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of Fees and Charges.
- b. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections 5(a) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, or as the promise to waive or reduce future Late Fees or Interest. 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.

**6. Payment Plans:**

Neither the Manager nor General Counsel shall have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Property owner desire to enter into a payment plan with the District, s/he shall first submit a written request to the Board and the Board shall make the determination in their sole discretion.

**7. Bankruptcy, Foreclosure or Receivership:**

In the event a Property or its owner are the subject of a proceeding in bankruptcy, foreclosure, or receivership, the Manager shall immediately forward the matter to the General Counsel. General Counsel shall proceed immediately to take such steps as may be required to protect the District, including filing any liens or commencing any foreclosure or other legal proceedings, notwithstanding any other provision in this Resolution.

**8. Additional Actions:**

The Board directs their 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 the orders of this Resolution.

**9. Colorado and Federal Fair Debt Collections Acts:**

To the extent required by law, the Manager, General Counsel, and the Board shall comply with both the Colorado Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act.

**10. Supersedes Prior Resolutions:**

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 imposing Fees and Charges, the term or provision in this Resolution shall prevail.

**11. Severability:**

If any term 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 term or provision shall not affect the validity of the Resolution as a whole but shall be severed here from, leaving the remaining terms or provisions in full force and effect.

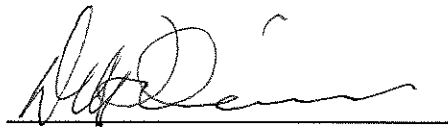
**12. Savings Provision:**

The failure to comply with the procedures set forth herein shall not affect the status of the 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 requirements as specifically provided herein shall not invalidate subsequent efforts to collect the Fees and Charges.

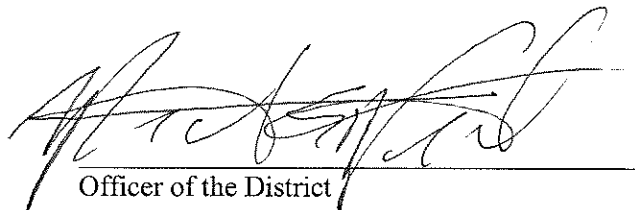
ADOPTED AND APPROVED this 16<sup>th</sup> day of February, 2022.

**MURPHY CREEK METROPOLITAN  
DISTRICT NO. 3**

**ATTEST:**



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Officer of the District