

ISSUE #1

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

THREE SPRINGS METROPOLITAN DISTRICT NO. 4

RESOLUTION IMPOSING AN OPERATIONS FEE UPON PROPERTY WITHIN THE DISTRICT

WHEREAS, the Three Springs Metropolitan District No. 4 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized pursuant to Sections 32-1-101, *et seq.*, C.R.S., as amended;

WHEREAS, pursuant to Section 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “**Board**”) has the management, control and supervision of all the business and affairs of the District;

WHEREAS, pursuant to Section 32-1-1001(1)(j), C.R.S., and as authorized by the District’s Service Plan, the District may fix, and from time to time to increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District;

WHEREAS, pursuant to Section 32-1-1001(1)(j)(I), C.R.S., any 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 Colorado for the foreclosure of mechanics’ liens;

WHEREAS, the Board has determined it to be in the best interest of the District, its property owners, residents, and taxpayers to provide ongoing operations and maintenance services, including, but not limited to, snow removal, irrigation, and landscape maintenance (the “**Operations Services**”);

WHEREAS, the provision of the Operations Services benefits the District, its property owners, residents, and taxpayers; and

WHEREAS, the establishment of an annual operations fee upon the property within the District in order to provide a source of funding to pay for the costs associated with Operations Services of the District (the “**Operations Fee**”), which costs are generally attributable to the property subject to such Operations Fee, is necessary and appropriate to fund the costs associated with providing such Operations Services, and that such fee is reasonably and rationally related to the costs incurred by the District.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE THREE SPRINGS METROPOLITAN DISTRICT NO. 4, AS FOLLOWS:

1. **Imposition of Operations Fee.** The District hereby imposes an annual Operations Fee in the amounts set forth in the fee schedule attached hereto as **Exhibit A** (the “**Operations Fee Schedule**”).

The Operations Fee shall be effective January 7, 2026, with the first payment due on April 1, 2026. Thereafter, payments shall be due semiannually on January 1 and July 1 of each year. Payment shall be made by check or equivalent form acceptable to the District, made payable to “Three Springs Metropolitan District No. 4” and sent to 65 Mercado St., Suite 250,

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Sec. 32-1-1001(1)(j)(I) (p. 1): Enforcement, fining, interest, or foreclosure provision violates Colorado HB 22-1137 (C.R.S. § 38-33.3-209.5) limits on cure periods, \$500 fine cap, 8% interest cap, or prohibition on foreclosing fine liens.

Statutory / Legal Reference: C.R.S. §§ 38-33.3-209.5 & 38-33.3-316 (HB 22-1137)

Statutory Comparison: Under C.R.S. § 38-33.3-209.5 (as amended by HB 22-1137), for covenant violations that do not threaten public health or safety, the association must: (1) notify the unit owner by certified mail, return receipt requested; (2) grant two consecutive 30-day periods to cure before turning the matter over to an attorney or legal action; (3) cap total fines for a particular covenant violation at \$500; (4) cap delinquency interest at 8% per annum; and (5) refrain from foreclosing on any assessment lien consisting solely of fines, fees, or collection costs.

CURRENT WORDING IN DOCUMENT:

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 Colorado for the foreclosure of mechanics’ liens; WHEREAS, the Board has determined it to be in the best interest of the District, its

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to C.R.S. §§ 38-33.3-209.5 and 38-33.3-316 (HB 22-1137), for any covenant violation that does not threaten public health or safety: (a) the Association shall send written notice via certified mail, return receipt requested, providing the owner two (2) consecutive thirty (30) day cure periods; (b) the total amount of fines imposed for any single non-health/safety violation shall not exceed Five Hundred Dollars (\$500.00); (c) delinquent assessments shall bear interest at no more than eight percent (8%) per annum; and (d) the Association shall not foreclose an assessment lien consisting solely of fines, collection costs, or attorney fees.