

After Recording, Return to:
WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

**RESOLUTION
OF THE
BOARDS OF DIRECTORS
OF THE
THREE HILLS METROPOLITAN DISTRICT**

CONCERNING THE IMPOSITION OF AN OPERATIONS FEE

WHEREAS, the Three Hills Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the “**Board**”) shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, the Board has determined it to be in the best interests of the District and the property owners, taxpayers, and residents within the District and the general public, to acquire, construct, operate and maintain certain amenities and facilities benefitting property owners, taxpayers, and residents within the District, and the general public, which amenities and facilities generally include park and recreation improvements, facilities, appurtenances and rights-of-way (collectively, the “**Facilities**”); and

WHEREAS, the District Board has determined it to be in the best interests of the District and the property owners, taxpayers, and residents within the District to provide certain services to the property owners, taxpayers, and residents within the District, and the general public, including without limitation, landscape maintenance, and snow removal (collectively, the “**Services**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the District which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District incurs certain direct and indirect costs associated with the upkeep, repair, replacement, improvement, reconstruction operation and maintenance of the Facilities, as necessary, inclusive of the costs of utilities and capital replacement costs (collectively, the “**Facility Costs**”) in order that the Facilities may be properly provided, operated and maintained; and

WHEREAS, the District incurs certain direct and indirect costs associated with the provision of the Services in order that the Services may be properly provided, the property within the District maintained, and that the health, safety and welfare of the District and its inhabitants may be safeguarded (collectively, the “**Service Costs**”); and

WHEREAS, the establishment and continuation of a fair and equitable fee (the “**Operations Fee**”) to provide a source of funding to pay for the Facility Costs and the Service Costs, (collectively, the “**Operations Costs**”), which Operations Costs are generally attributable to the persons and/or properties subject to such Operations Fees, is necessary to provide for the common good and for the prosperity and general welfare of the property owners, taxpayers, and residents within the District and the general public and for the orderly and uniform administration of the District’s affairs; and

WHEREAS, the District finds that the Operations Fee, as set forth in this Resolution, is reasonably related to the overall cost of providing the Facilities and Services and paying the Operations Costs, and that imposition thereof is necessary and appropriate.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. DEFINITIONS. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“**District Boundaries**” means the legal boundaries of the District, as the same are established and amended from time to time pursuant to the Special District Act, as more particularly set forth in the map and legal description attached hereto as **Exhibit B** and incorporated herein by this reference.

“**Due Date**” means the date by which the Operations Fee is due, which Due Date is reflected on the Schedule of Fees.

“**End User**” means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit.

“**Fee Schedule**” or “**Schedule of Fees**” means the schedule of fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, until and unless otherwise amended and/or repealed.

“**Lot**” means each parcel of land established by a recorded final subdivision plat and which is located within the District Boundaries.

“**Residential Unit**” means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit and detached single family dwelling units) located on a Lot which has been Transferred to an End User.

“**Transfer**” or “**Transferred**” shall include a sale, conveyance or transfer by deed, instrument, writing, lease or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in an End User.

“**Vacant Lot**” means each parcel of land within the District established by a recorded final subdivision plat, but specifically excluding any parcel upon which one or more Residential Units is situated and specifically excluding any parcel owned by the District.

2. OPERATIONS FEE.

a. The Board of the District has determined, and do hereby determine, that it is in the best interests of the property owners, taxpayers, and residents within the, and the general public to impose, and does hereby impose an Operations Fee to fund the Operations Costs. The Operations Fee is hereby established and imposed in an amount as set forth by the District from time to time pursuant to the “Fee Schedule” and shall constitute the rate in effect until such schedule is amended or repealed. The Fee Schedule is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. The Operations Fee shall consist of a recurring payment (the “**Recurring Payment**”) and a separate payment imposed on the Transfer of a Residential Unit to an End User (the “**Transfer Payment**”), which together shall comprise the Operations Fee.

b. The Transfer Payment shall be imposed on all Transfers of a Residential Unit to an End User. The Transfer Payment shall not apply to any of the following, except to the extent the District determines that such exception is being undertaken for the purpose of improperly avoiding the Operations Fee:

i. Any Transfer wherein the United States, or any agency or instrumentality thereof, the State of Colorado, any county, city and county, municipality, district or other political subdivisions of this State, is either the grantor or the grantee.

ii. Any Transfer by document, decree or agreement partitioning, terminating or evidencing termination of a joint tenancy, tenancy in common or other co-ownership; however, if additional consideration or value is paid in connection with such partition or termination the Transfer Payment shall apply and be based upon such additional consideration.

iii. Any Transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

iv. Any Transfer made and delivered without consideration for the purpose of: confirming, correcting, modifying or supplementing a Transfer previously made; making minor boundary adjustments; removing clouds of title; or granting easements, rights-of-way or licenses.

v. Any decree or order of a court of record quieting, determining or resting title, except for a decree of foreclosure.

vi. Transfers to secure a debt or other obligation, or releases other than by foreclosure, which is security for a debt or other obligation.

vii. Transfers pursuant to a decree or separation of divorce.

c. The Board of the District has determined, and do hereby determine, that the Operations Fee is reasonably related to the overall cost of providing the Services, and paying the Operations Costs, and is imposed on those who are reasonably likely to benefit from or use the Facilities and Services.

d. The revenues generated by the Operations Fee will be accounted for separately from other revenues of the District. The Operations Fee revenue will be used solely for the purpose of paying Operations Costs, and may not be used by the District to pay for general administrative costs of the District.

3. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Operations Fee not paid in full within fifteen (15) days after the scheduled Due Date will be assessed a late fee in the amount of Fifteen Dollars (\$15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding Operations Fees, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorneys' fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. The District may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by the District and/or its consultants in connection with the foregoing.

4. PAYMENT. Payment for all Operations Fees, fees, rates, tolls, penalties, charges, interest and attorneys' fees shall be made by check or equivalent form acceptable to the District, made payable to "Three Hills Metropolitan District" and sent to the address indicated on the Fee Schedule. The District may change the payment address from time to time and such change shall not require an amendment to this Resolution.

5. LIEN. The Operations Fees imposed hereunder, together with any and all late fees, interest, penalties and costs of collection, shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as the District, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of Jefferson County, Colorado.

6. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

7. THE PROPERTY. This Resolution shall apply to all property within the District Boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, and any additional property included into the District after the date of this Resolution.

8. EFFECTIVE DATE. This Resolution shall become effective September 20th, 2023.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

ADOPTED this 20th day of September, 2023

THREE HILLS METROPOLITAN DISTRICT, a
quasi-municipal corporation and political
subdivision of the State of Colorado



Matt Cavanaugh (Sep 20, 2023 15:53 MDT)

Officer of the District

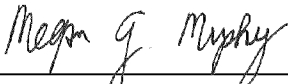
ATTEST:

GUILLAUME POUCHOT

GUILLAUME POUCHOT (Sep 20, 2023 14:54 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law



General Counsel to the District

Signature page to Resolution Concerning the Imposition of an Operations Fee

EXHIBIT A
THREE HILLS METROPOLITAN DISTRICT
Schedule of Fees
Effective September 20, 2023

Schedule of Fees		
Fee Type	Classifications	Rate
Operations Fee – Recurring Payment	Residential Unit	\$360/year/unit
The Operations Fee is billed yearly.		
Operations Fee – Payment Due Upon a Transfer	Residential Unit	\$600/unit
The Due Date for the Transfer Fee is the date upon which the Transfer occurs.		

PAYMENTS: Payment for each fee shall be made payable to the Three Hills Metropolitan District and sent to the following address for receipt by the Due Date:

Three Hills Metropolitan District
c/o CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300
Greenwood Village, CO 80111

Operations Fees

Three Hills Metro District

Years 1 - 3

Estimated Revenue

Net Property Tax	\$	86,842	Note 1
Specific Ownership Tax @ 6% of Estimated Property Taxes	\$	5,211	
Estimated Total Revenue	\$	92,053	

Estimated Expenditures

Administrative Expenditures	\$	150,000	Note 2
Operations Expenditures	\$	250,000	Note 2
Estimated Total Expenditures	\$	400,000	

Estimated Annual Operations Shortfall \$ (307,947)

Operations Fees

\$360/year/unit \$ 140,760 To cover shortfall and maintain operating reserve

Transfer Fees

\$600/unit \$ 171,600 To cover shortfall and maintain operating reserve

Year 4 and forward

Estimated Revenue

Estimated Market Value at Build Out	\$	196,942,961	Note 3
Assessment %		6.95%	
Assessed Value		13,687,536	
Mill Levy		15.000	
Gross Property Taxes		205,313	

Less: Treasurer's Fee & Uncollected Taxes (4,106)

Net Property Tax \$ 201,207

Specific Ownership Tax @ 6% of Estimated Property Taxes \$ 12,072

Estimated Total Revenue \$ 213,279

Estimated Expenditures

Administrative Expenditures	\$	50,000	Note 4
Operations Expenditures	\$	250,000	Note 4
Estimated Total Expenditures	\$	300,000	

Estimated Annual Operations Shortfall \$ (86,721) Note 5

Operations Fees

\$360/year/unit \$ 102,960 To cover shortfall and maintain operating reserve

Note 1:

Net O&M Property taxes for 2023, 2024, and 2025 estimated based on final AV for 2023 of \$1,131,51, estimated 2024 AV of \$1,305,156, and estimateed 2025 AV of \$5,716,752.

Note 2:

Administrative expenditures include such items as accounting, audit, legal and Insurance. Operations expenditures include such items as covenant enforcement, design review, district management, utilities, repairs and maintenance, snow removal and trash removal.

Note 3 :

Estimated based on 137 Townhomes at \$612,939/Unit, 81 SFD 28'x62' at \$722,386/unit, and 68 SFD 40'x90' at \$800,839/Unit.

Note 4:

Administrative expenditures include such items as Accounting, Audit, Legal and Insurance. Operations expenditures include such items as covenant enforcement, design review, district management, utilities, landscaping, repairs and maintenance, snow removal and trash removal.

Note 5:

It is anticipated that future increases in annual expenditures will be covered by increases in revenue generated by the mill levy as assessed valuation increases.

EXHIBIT B

THREE HILLS METROPOLITAN DISTRICT

District Boundaries

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY
VINEYARD TOWN SQUARE METROPOLITAN DISTRICT, T/B/K THREE HILLS METROPOLITAN DISTRICT

LAND DESCRIPTION:
DISTRICT BOUNDARY 4-9-21

SHEET 1 OF 2

A PARCEL OF LAND LOCATED IN THE WEST ONE-HALF OF SECTION 7, TOWNSHIP 5 SOUTH, RANGE 69 AND THE NORTHEAST ONE-QUARTER OF SECTION 12, TOWNSHIP 5 SOUTH, RANGE 70 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 7 BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3" ALUMINUM CAP IN RANGE BOX LS 10734 AND AT THE SOUTHWEST CORNER BY A 2" ALUMINUM CAP IN CONCRETE LS 16398, BEING ASSUMED TO BEAR N89°39'41"E A DISTANCE OF 2504.34 FEET.

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 7:

THENCE ALONG THE SOUTH LINE OF SAID SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER S 89°39'41" W A DISTANCE OF 11.86 FEET TO THE EASTERLY LINE OF A PARCEL OF LAND RECORDED AT RECEPTION NO. 2018070249;

THENCE N 04°54'15" E ALONG SAID EASTERLY LINE A DISTANCE OF 118.32 FEET;

THENCE N 17°00'06" W CONTINUING ALONG SAID EASTERLY LINE A DISTANCE OF 1249.53 FEET TO THE NORTH LINE OF SAID SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER;

THENCE N 89°37'03" E ALONG SAID NORTH LINE A DISTANCE OF 1.42 FEET TO THE EASTERLY LINE OF A PARCEL OF LAND RECORDED IN BOOK 1937 AT PAGE 597;

THENCE N 22°16'36" W ALONG SAID EASTERLY LINE A DISTANCE OF 1416.68 FEET TO THE SOUTH LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 7;

THENCE S 89°34'36" W ALONG SAID SOUTH LINE A DISTANCE OF 297.10 FEET TO THE WEST ONE-QUARTER CORNER OF SAID SECTION 7;

THENCE N 36°49'10" W A DISTANCE OF 1477.79 FEET;

THENCE N 87°38'57" E A DISTANCE OF 545.91 FEET;

THENCE S 60°12'50" E A DISTANCE OF 54.10 FEET;

THENCE S 84°13'12" E A DISTANCE OF 294.94 FEET TO THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SECTION 7;

THENCE S 00°00'38" W ALONG SAID WEST LINE A DISTANCE OF 484.79 FEET TO THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER;

THENCE N 89°35'52" E ALONG SAID NORTH LINE A DISTANCE OF 149.73 FEET;

THENCE S 00°00'38" W A DISTANCE OF 159.73 FEET;

THENCE S 35°31'56" E A DISTANCE OF 112.39 FEET;

THENCE S 89°52'47" E A DISTANCE OF 246.50 FEET;

THENCE N 00°24'53" W A DISTANCE OF 4.14 FEET;

THENCE N 00°08'29" W A DISTANCE OF 249.75 FEET TO A POINT ON SAID NORTH LINE;

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY
VINEYARD TOWN SQUARE METROPOLITAN DISTRICT, T/B/K THREE HILLS METROPOLITAN DISTRICT

LAND DESCRIPTION:
DISTRICT BOUNDARY 4-9-21

SHEET 2 OF 2

THENCE N 89°35'52" E ALONG SAID NORTH LINE A DISTANCE OF 67.28 FEET;

THENCE S 00°08'29" E A DISTANCE OF 262.11 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A CHORD OF S 09°58'41" E 128.13 FEET, A RADIUS OF 375.00 FEET, AN ARC OF 128.76 FEET, AND A DELTA OF 19°40'23";

THENCE S 89°53'14" E A DISTANCE OF 563.93 FEET TO A POINT ON THE WESTERLY LINE OF A PARCEL OF LAND AS RECORDED UNDER RECEPTION NO. 90105984;

THENC E ALONG SAID WESTERLY LINE THE FOLLOWING TWELVE (12) COURSES:

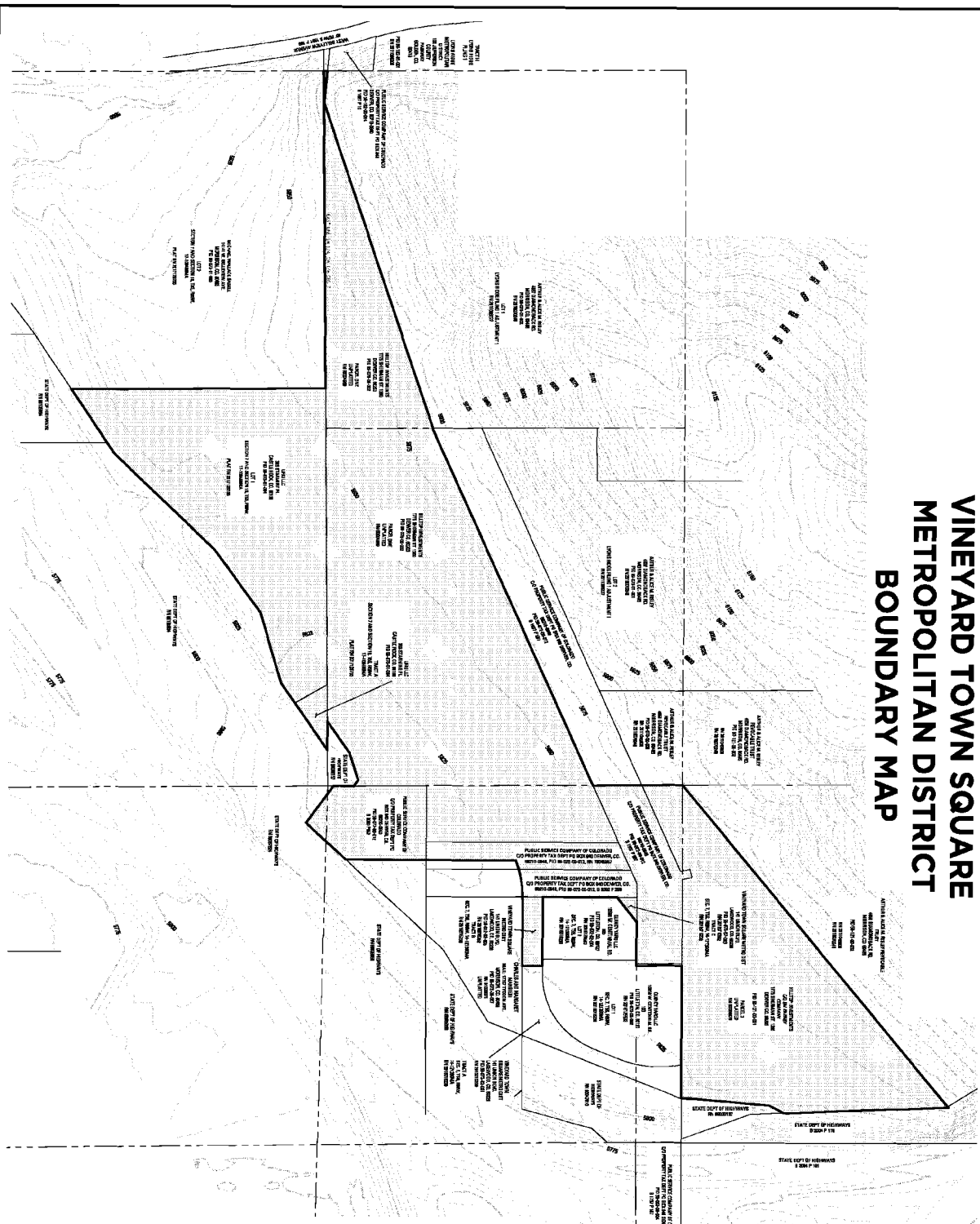
- 1) S 44°30'39" E A DISTANCE OF 188.53 FEET;
- 2) S 34°00'05" W A DISTANCE OF 163.27 FEET;
- 3) S 89°34'36" W A DISTANCE OF 66.61 FEET;
- 4) S 33°40'19" W A DISTANCE OF 26.63 FEET;
- 5) S 16°20'47" E A DISTANCE OF 103.37 FEET;
- 6) S 32°32'22" E A DISTANCE OF 138.69 FEET;
- 7) N 00°30'40" W A DISTANCE OF 106.06 FEET;
- 8) S 32°12'35" E A DISTANCE OF 288.45 FEET;
- 9) S 15°06'59" E A DISTANCE OF 270.42 FEET;
- 10) S 33°30'54" E A DISTANCE OF 275.05 FEET;
- 11) S 43°26'15" E A DISTANCE OF 485.81 FEET;
- 12) S 31°19'01" E A DISTANCE OF 277.38 FEET;

THENCE PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SOUTHWEST ONE-QUARTER S 89°37'09" W A DISTANCE OF 842.36 FEET TO SAID EAST LINE OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER;

THENCE S 00°31'02" E ALONG SAID EAST LINE A DISTANCE OF 1167.62 FEET TO THE **POINT OF BEGINNING.**

THE ABOVE DESCRIBED PARCEL CONTAINS AN AREA OF 2,499,323 SQ. FT. OR 57.3766 ACRES MORE OR LESS.

EXHIBIT B-1 VINEYARD TOWN SQUARE METROPOLITAN DISTRICT BOUNDARY MAP



KT ENGINEERING
 1800 W. 10TH AVE. #210
 DENVER, CO 80202
 PHONE: 303.733.8800