

SUMMARY OF JOINT COLLECTIONS RESOLUTION OF MURPHY CREEK METROPOLITAN DISTRICT NOS. 1-4

The following is a list of Murphy Creek Metropolitan District Nos. 1-4 (the "Districts") policies and procedures for the collection of operations and maintenance fees. This summary is not comprehensive; its intent is to summarize the collections processes for homeowners within the Districts. If you have any further questions please feel free to contact the Districts' manager, Colorado Management, 8100 Southpark Way A-5, Littleton, CO 80120; Phone: (303) 730-2200.

1. **General Payment Information.** The Districts' Manager (the "Manager") shall be responsible for collecting fees and charges related to operations and maintenance and imposed by the Districts against the Property (the "Fees and Charges"). Payments received shall be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Reminder Letter, Warning Letter, Demand Letter, Notice of Intent to File Lien, Lien and Lien Release Fees; (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.

2. **Perpetual Lien.** Pursuant to § 32-1-1001(1)(j)(I), C.R.S., all Fees and Charges, until paid, shall constitute a perpetual lien on and against the Property to be served by the Districts. 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 Districts 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.

2. **Districts' Manager Procedures.** In the event payment is delinquent, the Manager shall take the following actions:

- a. *Fifteen (15) Calendar Days Past Due:* A delinquent payment Reminder Letter shall be sent
- b. *On the Fifteenth (15) Calendar Day of the Month Following the Due Date for the Payment:* A Warning Letter shall be sent
- c. *On the First (1) Calendar Day of the Month Following the Postmark Date of the Warning Letter:* The delinquent account is referred to White Bear & Ankele, P.C. (the "General Counsel")

3. **General Counsel Procedures.** Upon referral from the Manager, General Counsel will take the following actions:

- a. *Upon receipt of delinquent account from Manager:* A Demand Letter will be sent requesting payment within 30 days
- b. *No less than 30 days following Demand Letter:* A Notice of Intent to File Lien Statement will be sent to notify property owner of impending lien
- c. *No less than 10 days following Notice of Intent to File Lien Statement:* A Lien will be filed against the property and recorded with the Arapahoe County Clerk and Recorder.

4. **Late Fees, Delinquent Charges & Interest.** The following late fees, costs of collections, and interest will be charged on delinquent accounts:

- a. \$15 Late Fee: Charged on the Fifteenth (15) calendar day from the payment due date for each delinquent payment. Partial payment will not prevent the imposition of this fee.
- b. \$10 Reminder Letter Fee: Charged by Manager for each Reminder Letter sent
- c. \$10 Warning Letter Fee: Charged by Manager for each Warning Letter sent
- d. \$30 Attorney Transfer Fee: Charged by Manager on accounts turned over to General Counsel for failure to pay
- e. \$60 Demand Letter Fee: Charged by General Counsel for each Demand Letter sent
- f. \$120 Notice of Intent to File Lien Statement Fee: Charged by General Counsel for each Notice of Intent to File Lien sent
- g. \$150 Lien Fee: Charged by General Counsel for each Lien that is recorded on the property
- h. \$150 Lien Release Fee: Charged by General Counsel for each recorded Lien that is released
- i. \$50 Account Payoff Fee: Charged by Manager for each lien that is paid. This fee is not charged when the lien is paid off in conjunction with the conveyance of the property.
- j. Attorneys' Fees and Interest: After a lien has been recorded, hourly attorneys' fees and interest will be charged against the delinquent account. Interest will be charged at the maximum statutory rate of 18% per annum

5. **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. If any action specified to be taken by the Manager, General Counsel, or other authorized representative is not taken in accordance with any specified timing requirements as provided herein, such action may be cured by renewing such action.