

**RESOLUTION NO. 08-033**  
**[Escrow for Landscape Violation Fees]**

**[NOTICE: ANY UNPAID AMOUNTS DUE AND OWING PURSUANT TO THIS RESOLUTION SHALL CONSTITUTE A STATUTORY AND PERPETUAL LIEN AGAINST THE PROPERTY PURSUANT TO SECTION 32-1-1001(1)(J)(I), C.R.S., AS PROVIDED HEREIN.]**

**RECITALS**

WHEREAS, the Reunion Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to its Service Plan and that certain Amended and Restated Facilities Funding, Construction and Operations Agreement dated March 12, 2002, as amended on April 11, 2003 (the "Facilities Agreement"), the District is responsible for providing for the operation and maintenance of certain facilities and services for its benefit and for the benefit of North Range Metropolitan District Nos. 1 - 5 (the "North Range Districts"); and

WHEREAS, pursuant to the Resolution of the Board of Directors of the Reunion Homeowners Association, Inc. ("HOA") approved effected as of July 1, 2005, as amended and restated on October, 4, 2008 ("HOA Landscape Resolution"), the HOA enforces covenants with respect to landscaping in North Range Metropolitan District No. 1 ("North Range MD No. 1") and is authorized to impose sanctions and fines for violation of Landscape Covenants (as defined below); and

WHEREAS, pursuant to the Management Agreement between the District, North Range MD No. 1, and the HOA, dated July 1, 2007 ("Management Agreement"), the District is responsible for providing covenant enforcement and architectural review and approval pursuant to the Declaration for Reunion Homeowners Association, Inc. recorded at Reception No. C1015874, Adams County, Colorado on August 27, 2002, as well as the Residential Improvement Guidelines and Site Restrictions ("RIGS"), Articles of Incorporation, and Bylaws of the HOA, and all other documents relating to covenants of the HOA as amended from time to time ("Covenants") as well as other services ("HOA Services"); and

WHEREAS, pursuant to the Facilities Agreement and the District's Service Plan, the District is authorized to impose fees, rates, tolls, assessments and charges for any purpose pursuant to the provisions thereof; and

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

WHEREAS, the District desires to approve a policy governing the enforcement of certain Covenants to supplement the existing HOA policies regarding the enforcement of Covenants generally and particularly those Covenants relating to the installation and maintenance of landscaping of Residential Sites within the District and North Range MD No. 1 ("Landscape Covenants") and such Covenants, including the Landscape Covenants, may be referred to herein collectively as the Covenants; and

WHEREAS, pursuant to Sections 32-1-1001(1)(j)(I), and 32-1-1004(8), C.R.S., the District desires to adopt fees and charges for the HOA Services provided pursuant to the Management Agreement in addition to fees and charges currently imposed by the HOA or District.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REUNION METROPOLITAN DISTRICT, AS FOLLOWS:

1. All terms used in this Resolution shall have the same meaning as set forth in the Covenants unless otherwise specified in the Recitals above or the resolutions adopted herein.

2. The purpose of this Resolution is to implement such policies for Covenant control and enforcement consistent with the Management Agreement in order to serve the best interests of the District and North Range MD No. 1 and their owners, taxpayers, and inhabitants.

3. The District has determined that, due to significant noncompliance with regard to the Landscape Covenants, it is essential that the District exercise its discretion to implement policies to provide additional incentives to the owners of Residential Sites (individually an "Owner," collectively the "Owners") to insure timely compliance upon a determination of a Covenant violation, and to:

- a. maintain the quality and integrity of the Reunion project;
- b. prevent a decrease in property values; and
- c. insure uniformity of compliance with the Covenants,

all for the benefit of Owners, taxpayers and inhabitants of the District and North Range MD No. 1.

4. The District has determined that it is necessary and in the best interests of the District and North Range MD No. 1 and their Owners, taxpayers and inhabitants to implement an additional policy for the enforcement of all Covenants, including a schedule of fees, rates, tolls penalties and charges in addition to sanctions and fines imposed by the HOA pursuant to the HOA Landscape Resolution and the HOA Covenant Enforcement Resolution, as follows:

a. Non-Compliance. A "Non-Compliant Lot" shall mean any Residential Site in which landscaping is not installed in accordance with the Landscape Covenants or with the requirements of the City of Commerce City, or which is otherwise in violation of either or both the Landscape Covenants or the Covenants as determined by the District.

b. Escrow Deposit. For any Non-Compliant Lot, a Landscape Escrow Deposit ("Escrow") shall be required to be deposited payable to the District at closing and/or transfer of such Non-Compliant Lot to be held by the District for the benefit of the District and the property Owner in accordance with this Resolution to secure remedy of landscaping violations ("Landscape Fee"). or other Covenant violations ("Covenant Fee") (collectively the Landscape Fee and Covenant Fee shall be referred to herein as the "Fees"). The District may/ impose both a Landscape Fee and Covenant Fee on any Non-Compliant Lot during the same time period. The Escrow shall be imposed in accordance with the following schedules:

- 1) \$2,500 for landscape installation requirements in the front yard;
- 2) \$2,500 for landscape installation requirements in the back yard;
- 3) \$4,000 for landscape installation requirements of both the front and back yards (in lieu of the fines in subsections 1) and 2) above)
- 4)

c. Schedule. The Escrow shall be held by the District until such time as the District has determined that the Non-Compliant Lot is in compliance with the applicable Covenants or as otherwise provided in subsection 4.h. below. For Landscape Covenant violations, compliance shall be required in accordance with the following conditions and time schedule; provided that the date for compliance shall extend no later than a maximum of one year from the date of closing.

Period	Transfer Dates	Required Installation Date	
1	March 2nd – August 1 <sup>st</sup>	90 days after closing of current year	
2	August 2 <sup>nd</sup> – December 31st	May 31st of the following year	
4	January 1 <sup>st</sup> - March 1st <sup>h</sup>	May 31 <sup>st</sup> of the current year	

d. Courtesy Letter. Upon failure to install landscaping by the required installation date a Courtesy Letter may be provided informing the owner of the alleged violation. If provided, the Courtesy Letter shall state that failure to timely cure the alleged violation may result in potential fines or other sanctions, including without limitation a forfeiture of any amounts held by the District in escrow under this Resolution. The Owner shall have ten (10) days from the date of the Courtesy Letter to cure the alleged violation or to provide evidence sufficient to the District that the Owner is diligently seeking to cure the alleged violation. If, in the discretion of the District, the alleged violation requires more than ten (10) days to cure, the District may extend the cure period or require the owner to commence such cure within ten (10) days after the date of the Courtesy Letter and diligently prosecute the same to completion. The District may, in its sole discretion, determine that a Courtesy Letter is not necessary or appropriate and may instead immediately send a Notice of the alleged violation as provided in subsection e below.

e. Notice of Complaint and Opportunity to Be Heard. If an Owner fails to cure, or provide adequate proof that he or she is diligently seeking to cure, an alleged violation within ten (10) days of the date of the Courtesy Letter or if the District determines, in its sole discretion, a Courtesy Letter is not necessary or appropriate, the District shall send a notice of complaint and opportunity to be heard ("Notice") to the Owner in accordance with Article X of

the Bylaws of the HOA. Unless determined otherwise, in the discretion of the District, hearings shall be conducted in accordance with Article X of the Bylaws of the HOA.

f. Failure to Attend or Request a Hearing. In the event any Owner afforded a Notice and opportunity to be heard fails to request a hearing or fails to appear, he or she will be presumed to have acknowledged the violation and will be subject to all fines and penalties assessed in connection with the violation, including without limitation, forfeiture of the Escrow hereunder.

g. Decision. After the District has taken such steps as are required in subsections (e) and (f) above, upon a finding that an Owner is in violation of the Covenants, the Escrow shall be applied by the District in accordance with the instructions and pursuant to the timetable set forth in subsection 4.h. below.

h. Forfeiture. Upon a Final Determination pursuant to subsection 4.g. above, and until the Owner brings the Non-Compliant Lot into compliance with the Covenants and notifies the District in writing thereof or until the entire Escrow is forfeited to the District, the Escrow shall be deposited to a separate account designated as the Escrow account of the District as provided below.

1) Ten (10) days after failure of an Owner to appear or a written Final Determination is made by the District that the landscaping for a Residential Site has not been installed in accordance with the Landscape Covenants or is otherwise in violation of the Landscape Covenants, One Thousand and No/100 Dollars (\$1,000) of the Landscape Escrow shall be forfeited to the District as a further District fine associated with such Owner's non-compliance under the Landscaping Covenants; and

2) On the first day of each subsequent Month beginning with the first day of the Month at least twenty (20) days after the initial forfeiture of the Landscape Escrow as provided in subsection 4.h.1) above that the landscaping for a Residential Site is not installed in accordance with the Landscape Covenants or is otherwise in violation of the Landscape Covenants, Five Hundred and No/100 Dollars (\$500) of the Landscape Escrow shall be forfeited to the District as a further District fine associated with such Owner's non-compliance under the Landscaping Covenants.

5. The District may impose these policies and the Escrows upon all residential single family and multi-family lots within the legal boundaries of North Range MD No. 1, as such boundaries are described in the legal description attached hereto as Exhibit A. This Resolution shall be recorded in the offices of the Clerk and Recorder of Adams County, Colorado.

6. The District shall hold the Escrow in accordance with the instructions in Section 4h hereto, or such other escrow instructions as may be deemed acceptable by the District. Any fees for escrow services shall be the responsibility of the Owner of the applicable Non-Compliant Lot.

7. Prior to initiating any work, the Owner shall submit complete written landscaping or remediation plans, as applicable, to the District for review and approval as required by the Covenants. Following completion of the landscaping or remedial actions, the Owner shall notify the District and the District shall inspect and approve the work prior to release of any Escrow to the Owner.

8. Pursuant to the Management Agreement and the authority of the District thereunder, the District may, in its discretion, apply any or all Escrow forfeited to the District hereunder, towards fines and other penalties imposed or assessed by the HOA or the District.

9. Upon a finding by the District that landscaping has been installed in accordance with the Landscape Covenants or the required remedial actions have been completed in accordance with the Covenants and the Residential Site, as applicable, is in compliance with the Covenants, any and all of the funds that remain in escrow shall be released to the Owner after payment of any outstanding fines and other penalties imposed by the District or the HOA for violations of the Covenants.

10. The District may determine to make one or more partial releases of the Escrow as it deems appropriate. The District shall require proof of ownership of the applicable Residential Site or such other documentation as it may require in its discretion in order to insure that the Escrows are properly credited to the Owner in accordance with any escrow instructions and applicable law.

11. The Escrow shall be imposed by the District pursuant to its authorization set forth in Sections 32-1-1001(1)(j)(I), and 32-1-1004(8), C.R.S., its Service Plan, and the Facilities Agreement.

12. Until paid, any amounts due and owing pursuant to this Resolution shall constitute a statutory and perpetual lien against the applicable real property served. The lien shall be perpetual in nature as defined pursuant to the laws of the State of Colorado and shall run with the land. The District Manager is authorized to take, or cause to be taken, such administrative steps as the District deems necessary to provide notice of the statutory lien imposed by this Resolution with respect to Residential Sites that have been determined to be Non-Compliant Lots, or notice of release of such lien when any Residential Site is in compliance with the Covenants and the applicable Escrows have been released as provided in this Resolution.

13. This Resolution and the procedures set forth herein shall be in addition to all other enforcement means which are available to the District pursuant to the Management Agreement, its Service Plan, or by law. Application of the terms and provisions of this Resolution does not preclude the District from using any other enforcement means available including, but not limited to, foreclosure of its perpetual lien and assessment of a delinquency charges. The defaulting property Owner shall pay all costs, including attorneys' fees, incurred by the District in connection with the foregoing.

14. Imposition of the Fees pursuant to this Resolution is in addition to any fees imposed by the HOA with respect to Covenant violations.

15. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

16. The District expressly reserves the right to amend, revise, redact, and/or repeal the rules and regulations adopted herein, in whole or in part, from time to time in order to further the purpose of carrying on the business of the District. The foregoing shall specifically include, but not be limited to, the right to adopt new policies as may be necessary in the District's discretion.

Adopted this 11 day of November, 2008

Ayes 5 Nays 0 Abstained 0 Absent 0

Certified by [Signature], Secretary