

**BOARD OF DIRECTORS OF
WATERFALL METROPOLITAN DISTRICT NO. 1**

A RESOLUTION ADOPTING AN AMENDED AND RESTATED RESOLUTION
PROVIDING FOR THE IMPOSITION OF AN ANNUAL GROUNDS MAINTENANCE FEE
AND MONTHLY ON-SITE GROUNDS MAINTENANCE CHARGE

WHEREAS, Waterfall Metropolitan District No. 1 (the "District"), together with Waterfall Metropolitan District No. 2, were formed pursuant to § 32-1-101 *et seq.*, Colorado Revised Statutes ("C.R.S.") as amended, by order of the District Court for Larimer County, Colorado, and after approval of the eligible electors of the District at a regular election held on May 6, 2008, for the purpose of assisting in the financing and development of the area generally located in the northwest section of the intersection of Boyd Lake Avenue and U. S. Highway 34 ("Service Area"); and

WHEREAS, on April 1, 2008, the City Council of the City of Loveland, Colorado approved the "Consolidated Service Plan for Waterfall Metropolitan Districts Nos. 1 & 2" (the "Service Plan") for the purpose of providing certain parameters for the financing and operations of improvements within the District's Service Area; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges, and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens; and

WHEREAS, the Service Plan similarly empowers the District to impose fees, rates, tolls, charges, and penalties for services and facilities; and

WHEREAS, on December 18, 2008, the District and Boyd Lake Village Owners' Association (the "Association") entered into that certain Covenant Enforcement Agreement (the "Agreement") pursuant to which the Association designated the District as the entity charged with enforcing that certain Declaration of Protective Covenants for Boyd Lake Village, dated July 7, 2008, and recorded in the office of the Larimer County Clerk and Recorder on July 8, 2008 at Reception No. 20080043615 (the "Declaration") against the real property in the District, and defined the duties and responsibilities of the District and the Association, including the covenants to be enforced by the District; and

WHEREAS, except as otherwise provided herein, capitalized terms used herein shall have the same meaning given to them in the Declaration; and

WHEREAS, Article XIII, Section 1 of the Declaration authorizes the District to exercise any right or privilege given to it expressly in the Declaration, in any agreement entered into between the Association and the District, or its Service Plan, or given to it by law and shall have

any and may exercise every right, privilege, power and/or authority necessary or desirable to fulfill its obligations under the Declaration; and

WHEREAS, pursuant to the Agreement, the District's duties include, but are not limited to, maintenance, mowing and irrigation of Landscaped Areas; removal of trash, rubbish and debris; and removal of snow and ice from sidewalks, porches, walkways, streets, driveways and parking lots; and

WHEREAS, on December 18, 2008, the District adopted and approved a resolution, as recorded in the office of the Larimer County Clerk and Recorder on December 23, 2008 at Reception No. 20080081078, that imposed an annual grounds maintenance fee on all real property located within the boundaries of the District for purposes of funding on-going grounds maintenance including, but not limited to, landscaping, irrigation, leaf and brush removal, pesticide and fertilizer application, lawn trimming and lawn mowing maintenance, composting, snow removal and debris cleanup (collectively, "Grounds Maintenance") within the District's boundaries, and ("2008 Resolution"); and

WHEREAS, the District desires to amend and restate the 2008 Resolution to modify the District's procedures and fee structure for Grounds Maintenance on District Property and the Lots in the District.

NOW THEREFORE, THE BOARD OF DIRECTORS OF WATERFALL METROPOLITAN DISTRICT NO. 1 HEREBY AMENDS AND RESTATES THE 2008 RESOLUTION IN ITS ENTIRETY AS FOLLOWS:

1. Grounds Maintenance Fee. The District will provide Grounds Maintenance of public improvements located on District-owned property ("District Grounds Maintenance"). To defray the District's costs for District Grounds Maintenance, the Board hereby establishes an annual "Grounds Maintenance Fee" upon all real property located within the boundaries of the District as such real property is more particularly described in Exhibit A attached hereto. The Grounds Maintenance Fee due from each Owner shall be determined by multiplying each Owner's "Total Developable Acres" owned by the "Per Acre Charge." The Total Developable Acres shall be determined based on the acreage reflected in the District's CAD files, which does not include drainage and utility easements. The Per Acre Charge shall be determined annually by dividing the District's annual budgeted costs for District Grounds Maintenance by the Total Developable Acres located within the District's boundaries. The District will bill each Owner for the 2015 Grounds Maintenance Fee no later than July 1, 2015. Thereafter, the District will send notice to each Owner in January of each calendar year reflecting the annual Grounds Maintenance Fee due and owing from the Owner. The Grounds Maintenance Fee must be paid by the Property Owner within thirty (30) days of the date of the notice.

2. On-Site Grounds Maintenance Charge. Except as otherwise provided herein, the District will provide Grounds Maintenance for each Lot in the District ("On-Site Grounds Maintenance"). The District will bill each Owner monthly for actual costs incurred by the District to provide On-Site Grounds Maintenance to the Owner's Lot ("On-Site Grounds Maintenance Charge"). The On-Site Grounds Maintenance Charge must be paid by the Owner

within thirty (30) days of the date of the invoice. In the event, an Owner prefers to conduct On-Site Grounds Maintenance on the Owner's Lot in lieu of the District, the Owner may provide such On-Site Grounds Maintenance at its own expense and upon notification to the District, provided that such On-Site Grounds Maintenance is conducted in compliance with the standards set forth in the Declaration. If the Owner fails to provide On-Site Grounds Maintenance in accordance with the standards set forth in the Declaration, the District will conduct such On-Site Grounds Maintenance at the Owner's expense and the District shall bill an On-Site Grounds Maintenance Charge to the Owner for the District's costs incurred.

3. Delinquent Payments. Any Grounds Maintenance Fee or On-Site Grounds Maintenance Charge that is not paid in full when due shall be assessed a late fee of 5% per month, not to exceed 25% of the amount due, pursuant to §29-1-1102(3), C.R.S. Interest will also accrue on any due and unpaid Grounds Maintenance Fee, exclusive of said assessed late fee, at the rate of 18% per annum, pursuant to §29-1-1102(7), C.R.S. All Grounds Maintenance Fees and On-Site Grounds Maintenance Charges, late fees, and penalty interest shall be paid to the District in immediately available funds.

4. Lien. Until paid, the annual Grounds Maintenance Fee and monthly On-Site Grounds Maintenance Charge, if applicable, shall constitute a perpetual lien on and against the Owner's lot, and any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens as provided in § 32-1-1001(1)(j)(I), C.R.S.

5. Collection Efforts. The District shall be entitled to charge any and all legal fees and expenses incurred for collection efforts to Owners for said collection efforts. Furthermore, the District hereby covenants that, in the event that the lien imposed hereby is purported to be extinguished as the result of any foreclosure proceeding, the District will reassert such lien as a perpetual lien until paid, as authorized pursuant to §32-1-1001(1)(j)(I), C.R.S.

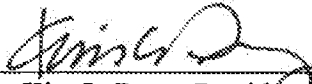
6. Severability. If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining terms intact and enforceable.

7. Effective Date; Recording. This Resolution shall take effect upon the adoption and approval of the Board of Directors for the District, and shall be recorded in the office of the Larimer County Clerk and Recorder against the real property located within Waterfall Metropolitan District No. 1.

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ADOPTED AND APPROVED this 20th day of May, 2015.

**WATERFALL METROPOLITAN DISTRICT
NO. 1**


By: Kim L. Perry, President

ATTEST:

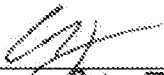

By: Cole Evans
Its: Assistant Secretary

EXHIBIT A

**LEGAL DESCRIPTION OF
WATERFALL METROPOLITAN DISTRICT NO. 1**

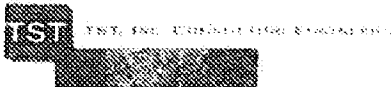


EXHIBIT A

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 5 NORTH, RANGE 68 WEST, OF THE 6TH P.M.; CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 1; LOTS 1 AND 2, BLOCK 1; LOTS 1-4, BLOCK 2; AND THE RIGHT-OF-WAY FOR EAST 15TH STREET AND HORSTMAN PLACE, WATERFALL FOURTH SUBDIVISION RECORDED AT RECEPTION NUMBER 20070093673;

LESS AND EXCEPT THE FOLLOWING TRACT:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 8, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8 TO BEAR N89°40'06"E (ENDS OF SAID LINES MONUMENTED AS SHOWN ON THE WATERFALL FOURTH SUBDIVISION RECORDED AT RECEPTION NUMBER 20070093673, WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO.

THENCE N72°52'02"E, 1,717.21 FEET TO THE POINT OF BEGINNING;

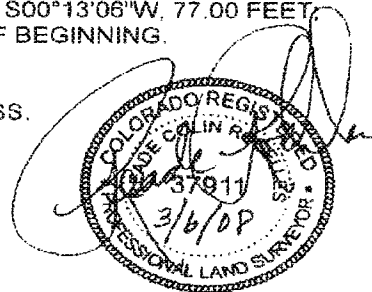
THENCE N00°13'06"E, 77.00 FEET;

THENCE N89°35'37"E, 27.50 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF SAID TRACT 1;

THENCE ALONG SAID EASTERLY BOUNDARY LINE, S00°13'06"W, 77.00 FEET

THENCE S89°35'37"W, 27.50 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS 29.56 ACRES MORE OR LESS.



READE COLIN ROSELLES
COLORADO PROFESSIONAL LAND SURVEYOR REGISTRATION NO. 37911
FOR AND ON BEHALF OF TSY CONSULTING ENGINEERS