

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,

Durango, Colorado 81301. The District may change the payment address from time and time without requiring an amendment to this Resolution.

All revenues collected from the Operations Fee shall be separately accounted for and used solely to pay costs related to Operations Services.

2. **Delinquent Payments and Penalties.** Any Operations Fee not paid within 30 days of the due date shall incur a late fee of \$15 per month in accordance with Section 29-1-1102(3), C.R.S. Interest shall also accrue on unpaid balances, exclusive of late fees and interest, at a rate of 12% per annum, pursuant to Section 29-1-1102(7), C.R.S.

The District may impose additional penalties or collection actions as permitted by law. Nothing herein precludes prepayment of the Operations Fee with the consent of the District or pursuant to separate agreement

3. **Collection.** Until paid in full, all unpaid Operations Fees, together with interest, penalties, and costs of collection, shall constitute a perpetual lien against the affected property pursuant to Section 32-1-1001(1)(j), C.R.S. The District may enforce or foreclose such lien in the same manner as a mechanics' lien, and may recover all associated collection costs, including reasonable attorney fees and expenses.

4. **Authority to Reduce or Waive Fees.** The District's President is authorized, in his or her sole discretion, to reduce, waive or extend time for payment of the Operations Fee in specific cases where circumstances so warrant.

5. **Modification.** The Operations Fee is based upon projected budgetary requirements of the District using various assumptions regarding the cost of the Operation Services. Actual costs may differ from the projections and the District may, in its sole discretion, determine to modify, increase or decrease the Operations Fee imposed hereunder based upon actual circumstances.

6. **Annual Adjustment.** Beginning in budget year 2027, the Operations Fee may be adjusted annually based on the percentage change in the Consumer Price Index for West Region (or its successor) (the "CPI"). If being adjusted for changes in the CPI, the Operations Fee may only be adjusted upwards.

7. **Property Subject to Fee.** The Operations Fee shall be imposed upon the property described in **Exhibit B**, attached hereto and incorporated herein by this reference.

8. **Release of Lien.** Upon payment of the Operations Fee, and upon request of the party making the payment, the District shall record a Release of Lien in the official records of La Plata County, Colorado, releasing the affected property from the lien.

9. **Recording.** This Resolution, or any amendments thereto, shall be recorded in the official records of the Clerk and Recorder in and for La Plata County, State of Colorado; however, any failure to record this Resolution, or any amendments thereto, shall in no way affect the validity of this Resolution or the District's ability to enforce the terms and provisions contained herein.

10. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

11. **Effective Date.** This Resolution shall take effect and be enforced as of January 7, 2026.

Adopted January 7, 2026.

THREE SPRINGS METROPOLITAN DISTRICT
NO. 4

By:


Chairman

ATTEST:



Secretary

EXHIBIT A

Operations Fee Schedule

<u>Property Type</u>	<u>Basis of Calculation</u>	<u>Fee Application</u>	<u>Operations Fee</u>
Commercial	Per acreage	Operations Fee per acre	\$1,973.30/acre

EXHIBIT B

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

Lot 3 R & East Owen Road Extension Parcel of the RESUBDIVISION OF THE CRADER SUBDIVISION AND LOT 1R & TRACT 1A-1R RESUBDIVISION, as recorded in the office of the La Plata County, Colorado, Clerk and Recorder under Reception Number 1085976;

And

Lot 8 & Lot 9 of the RANCHO VEDADO PHASE2, as recorded in the office of the La Plata County, Colorado, Clerk and Recorder under Reception Number 960726.

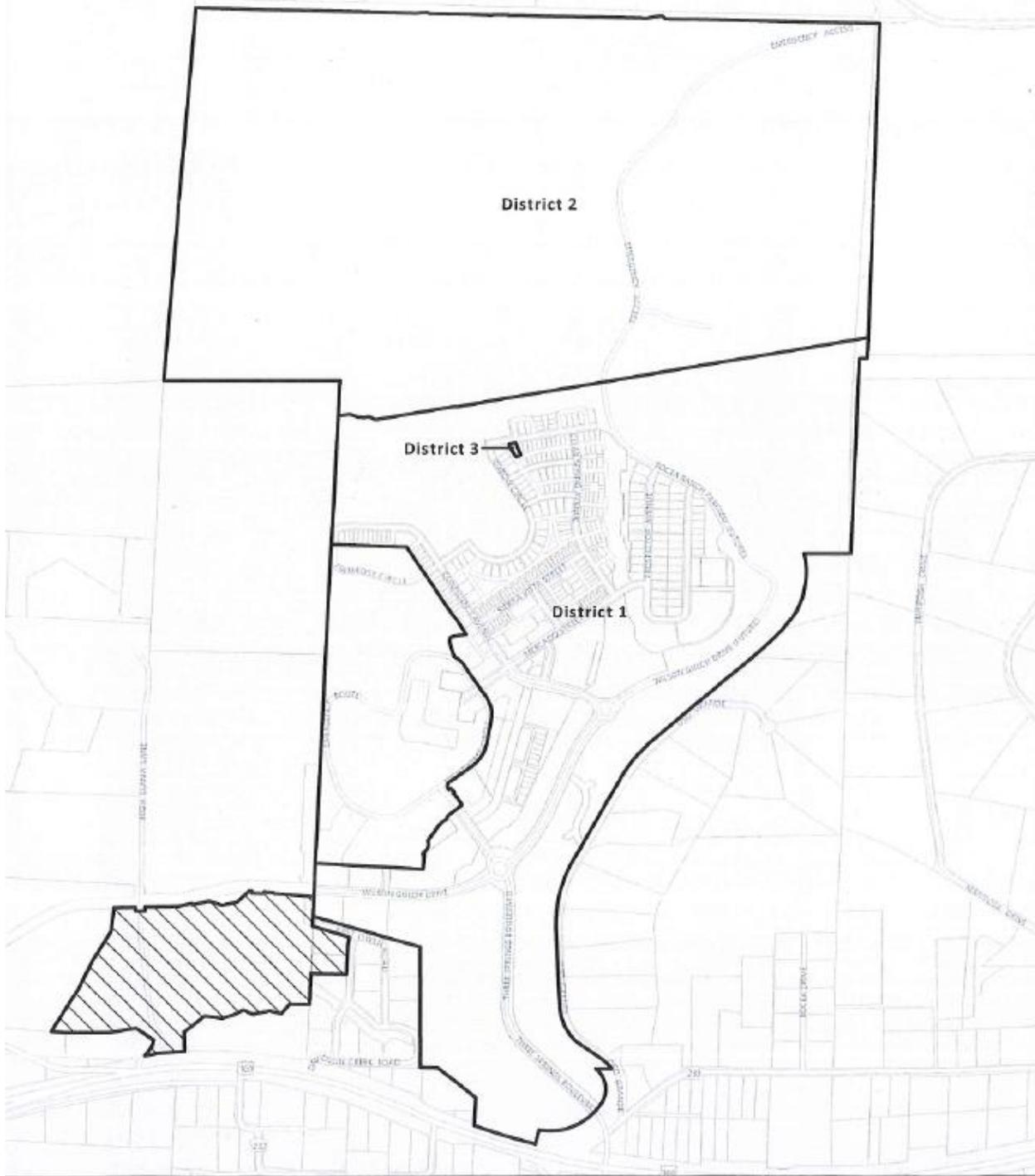
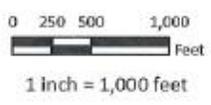


Exhibit B
Metro District 4 Boundary
 Located In: City of Durango
 Section 2 and Section 11 T 34 N &

 Metro District 4



Three Springs
 A Southern Ute Company
 GRVP, LLC
 175 Main Street