

**RESOLUTION OF THE BOARD OF DIRECTORS OF BRADLEY RANCH
METROPOLITAN DISTRICT CONCERNING THE IMPOSITION
OF DISTRICT SERVICE FEE INCLUDING OPERATIONS AND MAINTENANCE,
COVENANT ENFORCEMENT, ARCHITECTURAL REVIEW**

THIS RESOLUTION CONCERNING THE IMPOSITION OF DISTRICT SERVICE FEES INCLUDING OPERATIONS AND MAINTENANCE, COVENANT ENFORCEMENT, AND ARCHITECTURAL REVIEW (the "Resolution") is made and entered into by the Bradley Ranch Metropolitan District (the "District") to be effective as of the 27th day of March, 2017.

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

WHEREAS, the Service Plan for Bradley Ranch Metropolitan District (the "Service Plan") similarly empowers the District to impose fees, rates, tolls, charges and penalties for services and facilities provided by the District; and

WHEREAS, pursuant to §32-1-1004(8), C.R.S., the District is authorized and empowered to provide covenant enforcement and design review services within the District and to take over most or all of the functions of a homeowners association ("HOA") as law permits so long as the revenues used to provide such services are derived from the area in which the services are furnished; and

WHEREAS, the District has decided to authorize and implement the establishment of an annual fee that would encompass District Services including operations and administration fees, covenant enforcement, architectural review and district maintenance fees for provision of services and handling of all HOA type costs, expenses and services as permitted by statute to be performed by the District, which would include use and service fees for facilities and amenities within the District and the HOA (collectively referred to hereinafter as the "Service Fees"). The Service Fees will be calculated on an annual basis during the District's annual budget process taking into consideration those funds traditionally and reasonably assessed by an HOA for operations and maintenance, capital reserves. The Service Fees will replace the HOA Fees and eliminate the need to assess a separate HOA Fee. The Service Fees will be charged on an annual basis against all residential dwelling units that have the necessary utilities in place to provide all required services to qualify for a certificate of occupancy within the boundaries of the District as reflected in the attached **Exhibit A**, which may be amended from time to time; and

WHEREAS, the Service Fees will be used to pay for the District's costs and expenses related to services and facilities provided by the District, including, but not limited to the landscaping, parks, open space, greenbelts, and recreation facilities, improvements, and services along with the assumption of most or all of the functions traditionally handled by a HOA; and

WHEREAS, the District has decided to apply the District Service Fees to residential and multi-family dwelling units within the District as that revenue will be used to offset amenities,

services, facilities and costs that benefit residents and property owners. The Service Fee revenue will also serve to increase the District's revenue stream at an earlier point in time to the benefit to the District's future residents, property owners and taxpayers, by using the Service Fees rather than mill levies to help pay for these contemplated costs in the operations and administration and provision of services within or benefiting the constituents of the District who use its facilities and services; and

WHEREAS, the District and the Developer have determined that it is not economical or desirable to have a HOA and the District provide concurrent services. Rather, it would be advantageous to have the District provide HOA functions, including design review and covenant enforcement, and provide for recreation-related facilities, services and other amenities. Policies and procedures will be implemented on a periodic basis through public meetings held to approve any changes to those rules and regulations of the District. A copy of those current policies adopted and implemented will be attached to this Resolution as **Exhibit B** and incorporated, ratified and approved by reference; and

WHEREAS, the District believes that imposing the Service Fees on each of the residential dwelling unit and property granted a certificate of occupancy within the District, the elimination of the need to have an HOA perform the same or similar services and impose any additional fees, as well as the benefits and efficiencies in having the District undertake and perform traditional HOA functions to the extent allowed by law, shall serve to increase the District's revenue stream, reduce the number and amount of fees assessed against property owners, and shall be a benefit to the District's residents, property owners and taxpayers, and

WHEREAS, the District desires to continue to impose the Service Fees against the residential dwelling units that have pulled a certificate of occupancy with the City of Colorado Springs within the District on an annual basis.

NOW THEREFORE, the Board of Directors of the District hereby RESOLVES as follows:

1. The Service Fees shall be Four Hundred Dollars (\$400.00) per year and shall be due and payable in one (1) lump sum payment on January 1, and shall be assessed against all residential dwelling units that have a certificate of occupancy at the time of issuance of a certificate of occupancy or at the closing of a sale of a residential dwelling unit to a third party within the District and shall be assessed residential dwelling units on an annual basis on January 1 of each year. Service Fees will be due and owing from the owner of a residential dwelling unit beginning at the time of closing with a third party owner and shall be prorated for that calendar year from the date of the closing, if needed. The Service Fees may be adjusted in the future based upon the District's annual budget.

2. The Service Fees on a commercial lot which has been granted a certificate of occupancy for a building are due and payable when the owner receives a certificate of occupancy or upon closing and transfer to a new owner. The Fee will be assessed from the date of that certificate of occupancy issuance or closing on the property. The Service Fees on a commercial lot will be at a minimum the same rate as a residential unit, but may be adjusted due to added

landscape or other conditions. Service Fees on commercial lots will be reviewed when the architectural design application is submitted with the site plans to the District and collected at the time of certificate of occupancy or closing. The Service Fees shall be due and payable in one (1) lump sum payment on January 1, and shall be prorated for the portion of the quarter in which Service Fee is in effect.

3. The Service Fees shall primarily be used for the assumption of the HOA functions, covenant enforcement, district administrative and maintenance service expenses in conjunction with services for the users, etc. Those costs of the District include, but are not limited to, operations and maintenance of landscaping and common areas, operations and maintenance of the park and recreation facilities and improvements, and other district operations and maintenance costs associated with maintaining the amenities, public improvements and the costs associated with the District assuming the ownership and operation of all facilities, improvements and services traditionally provided by a HOA as permitted by Colorado law. The primary purpose of the fee is to defray the cost of services to those charged. The Service Fees shall be due and owing to Bradley Ranch Metropolitan District.

4. Any Service Fees contemplated herein that are not paid in full within fifteen (15) days after the scheduled due date shall be assessed a late fee of fifteen dollars (\$15.00), per §29-1-1102(3), C.R.S. Pursuant to §29-1-1102(7), C.R.S., interest will also accrue on any outstanding Service Fees, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

5. All Service Fees shall be due, owing and payable to the District, in cash or an equivalent form made payable to "Bradley Ranch Metropolitan District." In the event that any Service Fees established hereunder remains unpaid thirty-one (31) days after its respective due date, the District's General Counsel shall undertake collection efforts for any and all outstanding amounts. All collections efforts shall be made pursuant to, and in accordance with, applicable state and federal laws. The District's General Counsel shall be entitled to charge reasonable legal fees and any related costs and expenses to the owners of any such real property for said collection efforts.

6. Notwithstanding anything contained in this Resolution to the contrary, no Service Fees shall be due from, or with respect to, any real property within the District for: (a) any school site dedicated to a school district, provided that the acreage of said site does not exceed eleven (11) acres; (b) any property dedicated or conveyed to a homeowners association serving property within the Districts, which does not exceed ten (10) acres; and/or (c) any property required by the City of Colorado Springs to be dedicated to the City of Colorado Springs, the public, or any other governmental entity for public rights-of-way, or that is required to be conveyed to another special district for the operation of public facilities including, but not limited to, streets, trails, sidewalks, landscape areas and similar facilities.

7. In addition, the District shall be entitled to impose an administrative fee as necessary to cover additional expenses associated with the design review and covenant enforcement services assumed by the District to ensure that such costs are the responsibility of the benefitted District residents. All such fees shall be based upon the District's determination

that such fees do not exceed reasonable annual market fee for users of such facilities.

8. All Service Fees and all other fees, rates, tolls, charges and penalties contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the District or to be provided by the District within a reasonable amount of time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by improvements of the District and shall run with the Property as defined in the Covenants and Restrictions of Bradley Ranch Metropolitan District and remain in effect as to any portion of such property on which the appropriate fee has not been paid. All liens contemplated herein may be foreclosed in any manner authorized by law at such time as the District may determine that fees hereunder have not been paid as required.

9. If any clause or provision of this Resolution is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Resolution as a whole but shall be severed here from, leaving the remaining clauses or provisions in full force and effect.

10. This Resolution supersedes any and all prior Resolutions approved and adopted by the District concerning Service Fees. All such prior Resolutions are hereby null and void, being superseded in their entirety by this Resolution.

ADOPTED AND APPROVED to be effective as of the 27th day of March, 2017.

**BRADLEY RANCH METROPOLITAN
DISTRICT**



President

ATTEST:



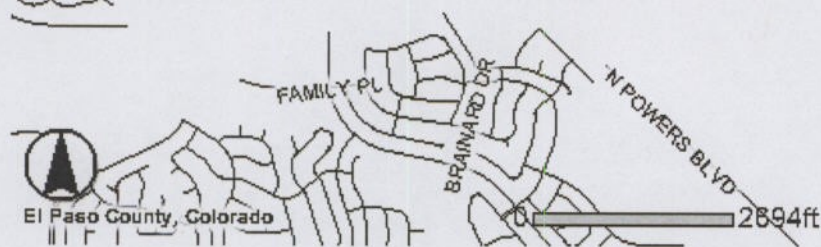
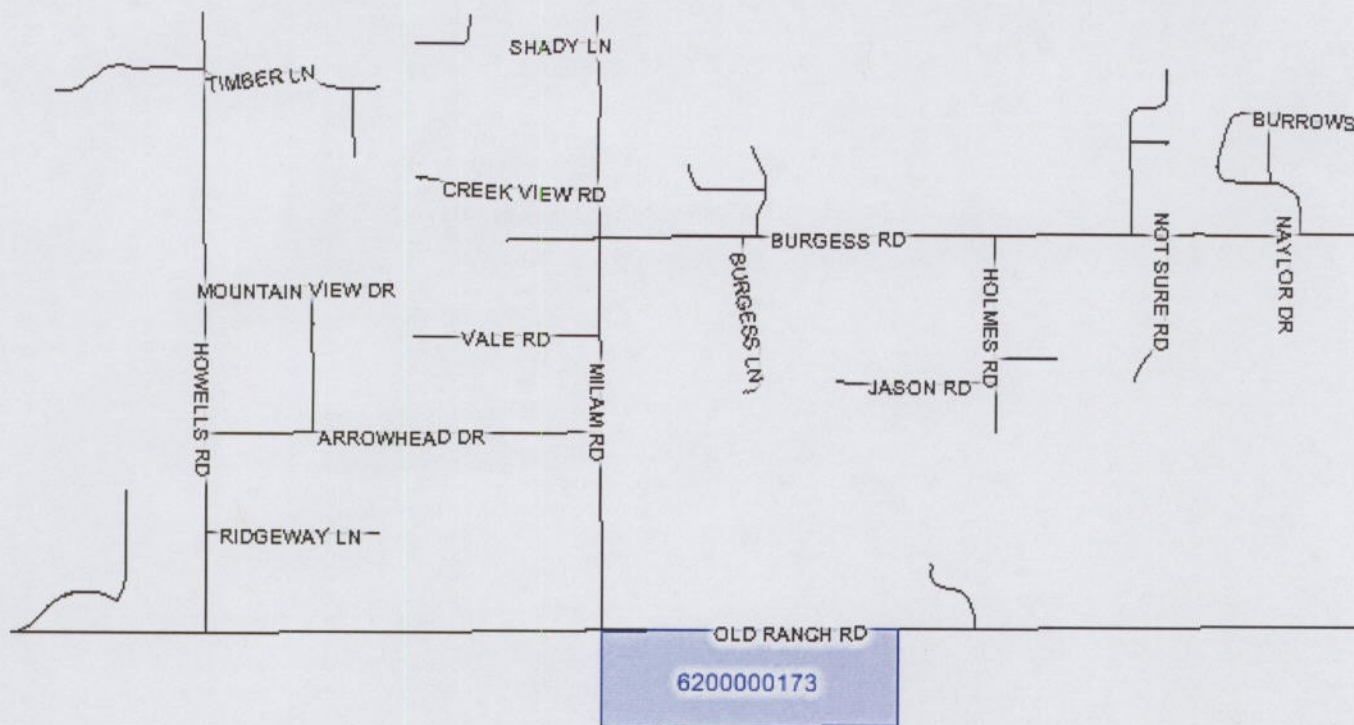
Secretary

EXHIBIT A

**Description of Property Subject to District Service Fees Including Covenant Enforcement,
Administration, Operations and Maintenance Fees
(Bradley Ranch Metropolitan District)**

EXHIBIT A

The North half of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter of Section 25, Township 12 South, Range 66 West of the 6th P.M., County of El Paso, State of Colorado.



El Paso County, Colorado

EXHIBIT B

Fine and Enforcement Policies of Bradley Ranch Metropolitan District

FINE POLICY and SCHEDULE

Section 1. INTENT

- A. In accordance with the Declaration of Covenants, the Board of Directors (the “Board”) has adopted Rules to promote the health, safety, and welfare of the Members and the maintenance and aesthetic appearance of the community for the preservation of property values and the assets of the District.
- B. While many violations are resolved through a courtesy/warning notice (see below), there are instances when further action is required. Fines are intended to bring properties into conformance with the Declaration of Covenants, Architectural Guidelines, and other rules and regulations set forth by the District (collectively, the “Governing Documents”) in a timely manner while providing due notice and appeal rights to property owners, as described in Exhibit “A” – Violation and Fine Appeal Process attached hereto and incorporated herein by reference.
- C. In order to gain compliance, the Board intends to impose and collect monetary penalties as authorized by the Declaration of Covenants and reserves the right to enforce the community’s restrictions in any other legal manner.

Section 2. NOTICE OF VIOLATION

- A. Notice Required: Upon a unit/lot owner’s first violation of any provision of the Governing Documents, the District shall provide a written Courtesy/Warning Notice to the unit/lot owner to allow the unit/lot owner the right to cure said violation as stated in the Notice.
- B. Courtesy/Warning Notice: A Courtesy/Warning Notice of the first violation shall be mailed via certified mail to the unit/lot owner and contain, at a minimum, the following information:
 - 1. The alleged violation of the Governing Documents;
 - 2. The date of the violation or the date the violation was observed;
 - 3. The first and last name of the person who observed the violation or the name of the management person confirming the violation;
 - 4. A statement that the violation must be cured within ten (10) days of the date of the Notice, and failure by the unit/lot owner to cure the violation within ten (10) shall result in a fine in accordance with the Fine Policy and Schedule of Fines in effect at the time of the violation; and
 - 5. The unit/lot owner’s right to appeal the violation.
- C. Right of Appeal: A unit/lot owner who receives a Courtesy/Warning Notice regarding a violation may appeal the violation by sending a written notice via certified mail to the District’s address (as listed on the notice of contact form recorded with the county recorder) within ten (10) days of the date of the Courtesy/Warning Notice. The process for appealing the violation is set forth in Exhibit “A”.

Section 3. NOTICE AND IMPOSITION OF FINES

- A. Notice of Imposition of Fine: If the unit/lot owner fails to cure the violation with ten (10) days of the date of the Courtesy/Warning Notice, the District shall send the unit/lot owner a Notice of Imposition of Fine via certified mail, which Notice shall state that the unit/lot owner has been assessed a fine for the violation in accordance with the Schedule of Fines attached hereto, as amended from time to time, and that failure by unit/lot owner to cure the violation within the period stated in the Notice of Imposition of Fine shall result in additional fines to the unit/lot owner.
- B. Further Failure to Comply: Additional Notices of fines citing unit/lot owner's failure to cure the violation shall be mailed to the unit/lot owner at the frequency and fine rate stated in the Schedule of Fines attached hereto, as amended from time to time. Each Notice shall indicate the current fine, pass due fines and late fees, if any, the date that the violation must be cured to avoid additional fines, and unit/lot owner's right to appeal.

Section 4. CONTINUING VIOLATIONS

- A. In the case of repeat and persistent violations, this system of fines may ultimately lead to prosecution of non-responsive violators. Fines will not take the place of legal action but will be used as an additional remedy. Fines shall not exceed the level, if any, established by state law.
- B. In addition, the Board shall have the right to remedy the violation and seek reimbursement from the unit/lot owner for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply with the Governing Documents without the necessity of legal proceedings.
- C. The Board may take legal action against the unit/lot owner at anytime after a fourth Notice of Imposition of Fine has been sent to the unit/lot owner, when accrued fines equal or exceed \$250, or if the Board determines, in its sole discretion, that immediate legal action is necessary to preserve the health, safety, and welfare of its Members. Pursuant to State law, in any legal action pursued hereunder, the court shall award reasonable attorney fees, costs, and costs of collection to the prevailing party.
- D. To ensure that the Board is aware of continuing violations, the Management Company shall list the violating unit/lot owner on the Executive Session agenda when a fourth Notice of Imposition of Fine has been sent to the unit/lot owner, when accrued fines equal or exceed \$250, or when the Management Company believes immediate action by the Board is necessary to preserve the health, safety and welfare of its Members. At such time, the Board shall deliberate as to whether the Board should take other appropriate action against the unit/lot owner as provided herein.

Section 5. RECURRENCE OF VIOLATION

Any recurrence of the same violation within six (6) months of the original violation, as noted in the Courtesy/Warning Violation, shall make the unit/lot owner subject to the imposition of a fine. Such fine shall be levied at the current rate of a 2nd violation in accordance with the “Schedule of Violations and Fines” then in effect. Such violations shall be considered a continuing violation and no Courtesy/Warning Notice shall be provided to the unit/lot owner.

Section 6. FAILURE TO PAY

- A. Fines shall be due and payable within 30 days of the notice. Fines not paid within 30 days shall be charged a late fee.
- B. All rights and remedies of the District are cumulative and not exclusive, and the District shall have all rights and remedies to levy and collect fines which may be available to it under the Governing Documents and applicable law.
- C. Until paid by the unit/lot owner, all fines, fees, and charges assessed against the unit/lot owner pursuant to the Fine Policy and Schedule, as amended from time to time, including, but not limited to, the cost of collecting fines, fees, and charges such as collection agents and attorney fees, shall constitute a lien on and against the property in accordance with the Declaration of Covenants.
- D. Fee Schedule:
 - 1. Late Fee Charge: A late fee of \$15.00 will be assessed on every account that is not paid in full within the 30 days reference above. The late fee charge may be amended from time to time by resolution of the Board.
 - 2. Bad Check Charge: For each check that for any reason is returned to the District unpaid, the unit/lot owner shall owe the District a “bad check” charge of \$20.00 or what is permitted by statute. The bad check charge may be amended from time to time by resolution of the Board.
 - 3. Certified letter Fee: Due to the nature of Covenant/Guideline Violations, collections and/or legal notices the District will send certified letters. Due to the cost of material and processing a \$30.00 fee will be charged for all certified letters that are sent out.
 - 4. Collection Fees: The unit/lot owner shall be responsible for all collection costs incurred by the District as part of the collection process, including, but not limited to, attorney fees, collection agent fees, and court costs.

Section 7. APPEAL PROCESS

Violations and fines may be appealed to the Board in accordance with the procedures set forth in Exhibit A, which procedures may be amended from time to time by a majority vote of the Board.

Section 8. SCHEDULE OF FINES

Fines may be levied as shown below. The Board may amend the Schedule of Fines from time to time as it deems necessary by a majority vote of the Board.

SCHEDULE OF FINES:

Violation	Amount of Fine				Assess	
	1st	2nd	3rd	Thereafter		
Architectural Committee Review and Approval Required	Warning	\$25	\$50	\$50	Bi-weekly	
Architectural Review, Improvement not Conforming to Request/Approval	Warning	\$25	\$100	\$200	Bi-weekly	
Residential Use: Professional or Home Occupation	Warning	\$25	\$100	\$200	Bi-weekly	
Declaration of Covenants, Other Not Listed	Warning	\$25	\$50	\$50	Bi-weekly	
Drainage & Irrigation	Warning	\$25	\$50	\$50	Bi-weekly	
Household Pets	Warning	\$25	\$50	\$50	Bi-weekly	
Leases	Warning	\$25	\$50	\$50	Bi-weekly	
Vehicle Parking, Storage and Repairs	Warning	\$25	\$50	\$50	Bi-weekly	
Light, sound and Orders	Warning	\$25	\$50	\$50	Bi-weekly	
Nuisances	Warning	\$25	\$50	\$50	Bi-weekly	
Hazardous Activities	Warning	\$25	\$50	\$50	Bi-weekly	
Completion of Landscape	Warning	\$25	\$50	\$50	Bi-weekly	
Lot Maintenance	Warning	\$25	\$50	\$50	Bi-weekly	
Miscellaneous Requirement & Improvements including signage	Warning	\$25	\$50	\$50	Bi-weekly	
Temporary Structures	Warning	\$25	\$50	\$50	Bi-weekly	
Trash and Materials	Warning	\$25	\$50	\$50	Bi-weekly	

Exhibit "A"
VIOLATION and FINE APPEAL PROCESS

SECTION 1 - NOTICE

1. Any unit/lot owner who receives a notice of violation or imposition of fine may appeal such violation of fine to the Board of Directors of the District (the "Board") by providing the District, via certified mail, a written request for a hearing. Such request must be submitted to the District within 10 days of the date of the notice of violation or fine. Fines set forth in any notice from the District will continue to accrue during the appeal process so that the appeal process is not used to delay effective enforcement of the District's Governing Documents, as defined in the Fine Policy and Schedule noted above.
2. If a timely request for a hearing is submitted by the unit/lot owner, the Association shall set a date and time for the hearing and notify the unit/lot owner in writing of the date and time of the hearing.

SECTION 2 – APPEAL PROCESS

1. The hearing shall be held before the Board in executive session.
2. The Board President shall summarize the appeal request before the Board and introduce all parties.
3. The unit/lot owner shall be afforded 10 minutes to state his or her case and to present to the Board any evidence that is applicable to the unit/lot owner's appeal.
4. Each Board Member shall have an opportunity to question the unit/lot owner regarding the appeal.
5. Upon completion of the question and answer period, the Board President will state that the appeal has been heard and the Board will make their decision in closed session. In reaching a decision, the Board may take into account the unit/lot owner's statements and evidence presented, the unit/lot owner's willingness to work towards compliance, and any other factors that may be pertinent as determined by the Board.
6. The Board may continue the hearing if it determines that additional information is required from the unit/lot owner before making an informed decision. The Board shall notify the unit/lot owner in writing of the date and time of the continued hearing and the additional information that the unit/lot owner must present on the continued hearing date.
7. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The unit/lot owner shall be given written notice of the results of the hearing within 10 days from the date of the hearing.

SECTION 3 – DENIED APPEALS

1. All decisions of the Board are final and may not be further appealed through the District.
2. If the Board denies the unit/lot owner's appeal, the unit/lot owner must bring the violation into compliance and pay all outstanding fines and charges accrued to date within the time period specified in the written notice received from the Board regarding the Board's decision. Failure to cure the violation within the designated time period stated therein shall constitute a continuing violation and subject the unit/lot owner to subsequent fines at the rate and frequency noted in Fine Policy and Schedule noted above – Schedule of Fines, which additional fines shall not be subject to the appeal process.
3. The Board may, in its sole discretion, take legal action against the unit/lot owner at anytime after a unit/lot owner's appeal has been denied and the unit/lot owner has accrued fines equal to or greater than \$250 or the Board determines that immediate legal action is necessary to preserve the health, safety, and welfare of its Members.

COLLECTION POLICY

The District had adopted the following collection policies:

1. *Perpetual Lien.* Pursuant to § 32-1-1001(l)(j)(I), C.R.S., all Delinquent Fees and Charges shall constitute a perpetual lien on and against the Property served by the District (the “**Lien**”). 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 District, in its sole discretion, may determine.

- a. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and to provide additional notice to interested parties, including, but not limited to, title companies and the Property owner. In the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the Lien in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

2. *District’s Manager Procedures.* The District’s Manager, Accountant or Billing Agent (any of which are referred to herein as the “**Manager**”) is responsible for collecting Fees imposed by the District against the Property. In the event payment of Fees is delinquent, the Manager may perform the procedures listed below. The Fees are considered delinquent when they have not been paid by their corresponding due date (the “**Delinquent Account**”):

- a. *Twenty (20) Calendar Days Past Due:* A delinquent payment “Reminder Letter” may be sent to the address of the last known owner or occupant of the Property according to the Manager’s records. In the event the above mailing is returned as undeliverable, the Manager may send a second copy of the Reminder Letter to: (1) the Property; and (2) the address of the last known owner of the Property as found in the real property records of the County Assessor’s Office (the “**Assessor**”) for the County in which the District is located (collectively, the “**Property Address**”). Said Reminder Letter may: (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee and a Late Fee in the amounts set forth in this Resolution have been assessed; and (3) reference the URL address of the District’s webpage where this Resolution is displayed, if available and requested by the Board.
- b. *Thirty (30) Calendar Days Past Due:* A “Warning Letter” may be sent to the Property Address: (1) requesting prompt payment; (2) warning of further legal action should the Property owner fail to pay the total amount due and owing; and (3) explaining that the Manager can provide a copy of the Resolution upon

request. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent.

- c. *Delinquent Accounts Post Warning Letter:* The District Manager shall continue to monitor the Delinquent Account until either (i) the amount of the Fees owing on such Delinquent Account are equal to or greater than the amount that would be collected under the current rate for such Fees over a one year period, or (ii) the account is more than six (6) months past due, regardless of whether the Manager has performed the tasks outlined in this Section 1(b) of this Resolution, the Manager may refer the Delinquent Account to the District's General Counsel (the "General Counsel"). At the time of such referral, the Manager may be requested to provide General Counsel with copies of all notices and letters sent pursuant to Section 1(b), if any, as well as a copy of the most recent ledger for the Delinquent Account.
- d. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

3. *General Counsel Procedures.* Upon referral of a Delinquent Account from the Manager, General Counsel may perform the following:

- a. *Upon Referral of the Delinquent Account From the Manager:* A "Demand Letter" may be sent to the Property Address, notifying the Property owner that the Property has been referred to General Counsel for further collections enforcement, including the filing of a statement of lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the Manager may also be sent.
- b. *No Sooner than Thirty (30) Calendar Days from the Postmark Date of the Demand Letter:* A Notice of Intent to File a Statement of Lien, along with a copy of the statement of lien to be filed, may be sent to the Property Address of the Delinquent Account notifying the Property owner that a statement of lien will be recorded with the clerk and recorder of the county where the Property is located (the "Clerk and Recorder") within no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien.
- c. *No Sooner than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File a Statement of Lien:* A Statement of Lien for the total amount due and owing as of the date of the Statement of Lien may be recorded against the Property with the Clerk and Recorder no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien is sent to the Property. Notwithstanding the amount due and owing reflected on the Statement of Lien, all

Delinquent Fees and Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

- d. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

4. *Foreclosure or Bankruptcy*. In circumstances where the Property is being foreclosed upon or where the owner of the Property has declared or is declaring bankruptcy and notice of such bankruptcy action has been provided to the District, the Manager may be permitted, in his or her discretion, to refer the Delinquent Account directly to General Counsel in order to avoid unnecessary, costly and time consuming procedures. Upon referral of the Delinquent Account to General Counsel, General Counsel may, in his or her discretion, immediately file a Statement of Lien on the Property.