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## EXHIBIT C

### KINSTON METROPOLITAN DISTRICT NO. 1 COLLECTION POLICY

(Effective as of July 13, 2023)

The guidelines set forth in this Collection Policy are intended to create orderly and fair procedures for the processing and collection of delinquent O&M Fees (the "Delinquent Fees") and other charges including, without limitation, Late Fees, Penalties (as defined herein) and NSF fees (collectively, the "Charges," together with Delinquent Fees, the "Fees") and to provide additional notice to interested parties, including, but not limited to, title companies and the Owner. The Board may amend this Collection Policy from time to time as it deems necessary. Unless otherwise defined herein, capitalized terms used in this Collection Policy shall have the meaning given to them in the Districts' Resolution Approving the Imposition of an Operation and Maintenance Fee on Lots in the Fee Area Boundaries, adopted on July 13, 2023, as may be further amended from time to time.

1. *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 each Lot. In the event payment of Fees is delinquent, the Manager will perform the procedures listed below. The Fees are considered delinquent when the Fees have not been paid by their corresponding due date (the "Delinquent Account"):

a. *Thirty (30) Calendar Days Past Due:* A delinquent payment "Reminder Letter" will be sent to the address of the last known Owner of the Lot according to the Manager's records. In the event the Reminder Letter is returned as undeliverable, the Manager will send a second copy of the Reminder Letter to: (1) the address of the Lot; and (2) the address of the last known Owner as found in the real property records of the Larimer County Assessor's Office (collectively, the "Property Address"). Said Reminder Letter will: (1) request prompt payment; (2) notify the Owner that a Late Fee have been imposed; and (3) reference the URL address of the District's webpage where the Resolution, together with this Collection Policy, is posted.

b. *Sixty (60) Calendar Days Past Due:* A "Warning Letter" will be sent to the Property Address: (1) requesting prompt payment; (2) warning of further legal action should the 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 of Fees due and owing to the District according to the records of the Manager will 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

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current rate for such Fees over a one year period, or (ii) the account is more than six (6) months past due. At such time, the Manager will refer the Delinquent Account to the District's designated legal counsel ("Legal Counsel") for collection. =

2. *Legal Counsel Procedures.* Upon referral of a Delinquent Account from the Manager, legal counsel will perform the following:

a. *Upon Referral of the Delinquent Account From the Manager:* A "Demand Letter" will be sent to the Property Address, notifying the Owner that the Property has been referred to Legal Counsel for further collection enforcement and that a statement of lien may be filed against the Property if payment of the Fees is not received by the District by the due date indicated in the Demand 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 will be included with the Demand Letter.

b. *No Sooner than Thirty (30) Calendar Days from the Postmark Date of the Demand Letter:* If the Fees remain unpaid by the Demand Letter due date, a Notice of Intent to File a Statement of Lien (the "Notice of Intent"), along with a copy of the statement of lien to be filed, will be sent to the Property Address of the Delinquent Account notifying the Owner that a statement of lien will be recorded in the records of the Larimer County Clerk and Recorder (the "Clerk and Recorder") no sooner than ten (10) days from the postmark date of the Notice of Intent unless all Fees are paid in full to the District.

c. *No Sooner than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File a Statement of Lien:* If the Owner has not paid all outstanding Fees to the District as stated in the Notice of Intent, Legal Counsel will file a Statement of Lien for the total amount due and owing as of the date of the Statement of Lien is recorded against the Property in the records of the Clerk and Recorder. Notwithstanding the amount due and owing reflected on the Statement of Lien, Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing to the District is paid in full.

d. *Lien Foreclosure.* At the direction of the Board, and in the Board's sole discretion, the Board may authorize Legal Counsel to commence with foreclosing on the Perpetual Lien for any unpaid Fees.

3. *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 will refer the Delinquent Account directly to Legal Counsel for collection as allowed by law for properties in foreclosure or for Owners in bankruptcy.

4. *Collection Fees.* In addition to all other Charges imposed by the District, the Owner shall be responsible for all costs incurred by the District for collecting the Fees, including, but not limited to, attorney fees and court costs.

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5. *Penalties.* The Board, in its determination, may impose additional “Penalties” on Delinquent Accounts.

6. *Waiver of Late Fees and Costs of Collections.* Upon consultation with the District’s General Counsel and, if recommended by General Counsel, the District’s Board, the Manager may waive or reduce one or more Charges imposed by this Collection Policy to facilitate the collection of the Fees. Any waiver or reduction of any Charges hereof shall not be construed as a waiver or reduction of future Charges, or as the promise to waive or reduce future Charges.

7. *Payment Plans.* The Manager has the authority to establish payment plans for the repayment of Fees for any Delinquent Account. Should the Manager elect not to establish a payment plan with the Owner, the Owner may submit a written request to the District’s Board and the Board may approve a payment plan, in its sole discretion.

8. *Non-Waiver Provision.* Failure by the Manger or Legal Counsel to comply with the procedures set forth in this Collection Policy shall not affect the status of the Perpetual Lien on the Lot for unpaid Fees. Failure by the Manager or Legal Counsel to take any action in accordance with this Collection Policy shall not invalidate subsequent efforts by the Manager or Legal Counsel to collect the Fees.