

ASPEN VILLAGE METROPOLITAN DISTRICT

RULES & REGULATIONS

Modified and Adopted by the Board of Directors on August 21, 2007

These rules and regulations have been drafted for use by the Aspen Village Metropolitan District and constitute a document that is subject to periodic amendment by the Board of Directors. It is the user's responsibility to ensure that the latest copy is used for all compliance purposes. Amended copies will have an amendment date at the bottom of each page.

SECTION I - GENERAL REGULATIONS

- 1.1 Purpose. These Rules and Regulations together with the District's Standards and Specifications, which are incorporated herein, provide for the management, maintenance and operation of all District facilities and infrastructure including additions thereto and will serve a public use and promote the health, safety and general welfare of the inhabitants of the District and are enacted pursuant to Colo. Rev. Stat. §32-1-101 et seq. (1973) as amended.

The Aspen Village Metropolitan District is a quasi-municipal corporation (local government) which owns the roadways, drainage and storm detention systems, traffic systems, and a potable community water system within the boundaries of the District. The Aspen Village Metropolitan District manages, administers, operates and maintains all facilities and services provided to constituents of the District and to extra-territorial users of District services.

- 1.2 Water System. The District water system provides potable water for all domestic purposes including fire protection, open space irrigation, and lawn and garden irrigation and is to be conserved from waste. The water supply for the District comes from a well field located on lands within the District's approved service area. Water from the District system is only available to constituents of the District and by contract with extra-territorial users within the District's approved service area.
- 1.3 Sanitary Sewer System. The District sanitary sewer system collects, transports and treats wastewater prior to its release to the stream system. The sanitary sewer system, including all public collection and transmission lines, lift stations, and treatment facilities, is owned, operated and maintained by the District.
- 1.4 Roads, Streets and Safety Improvements. The District road and street system, together with all safety improvements, is owned, operated and maintained by the District and includes both primary and secondary access to residences within the District. All roads within the District are subject to existing easements and rights-of-way and public use of District roads is limited to guests of residents.
- 1.5 Parks and Recreation. The District owns and operates a ballfield, open space, a community center, playground and swimming pool for the benefit of residents and guests of Aspen Village. The use of these facilities is governed by rules contained herein.
- 1.6 Solid Waste Collection. The District contracts with local vendors for the collection, transport and disposal of solid waste. This service is provided only to owners within the District's corporate boundary.

1.7 Definitions As used herein.

Board shall mean the Board of Directors of the Aspen Village Metropolitan District.

Clubhouse/Community Center shall mean the community building adjacent to the community swimming pool.

Connection Charge (tapping fee) shall mean a fee for tapping into and connecting a private water line, drainage or storm sewer service line to the District's facilities.

Constituent, Property Owner, Individual, Customer shall mean a person who pays taxes to the District, owns property within the District, or receives service from the District.

Cost means all direct and indirect costs attributable to any project or the construction of any new facility, including without limitation the costs of inspections, reviews, surveys, actual construction, preliminary and design engineering, inspection, construction observation, administration and legal service, "as built" drawings, easements and acquisition and all other costs necessary for review, evaluation or completion of such new project or facility.

County shall mean Pitkin County.

Cross-Connection Control Device or back-flow prevention device, shall be installed on all private water service lines between the primary source of supply and any other supply or use that may lead to cross-contamination. This includes but is not limited to private wells, swimming pools, spas, irrigation systems, hot tubs, et cetera.

Customer shall mean any person, partnership, corporation, governmental authority or their lessees and tenants authorized to use District facilities under a license or permit and who is supplied with water, drainage or storm sewer service by the District.

Developer shall mean the persons, firm, joint venture, partnership or corporation which is the owner or agent of the owner of land which is developing or subdividing owner's land and which seeks to have the development or subdivided land served by the District.

District shall mean the Aspen Village Metropolitan District.

District Administrator shall be the person appointed by the Manager to oversee all administrative functions of the District. The District Administrator shall report directly to the Manager.

District Engineer shall be the person or consultant appointed by the Board or manager to provide professional engineering services to or on behalf of the District. See also District Manager.

District Facilities or Infrastructure means all facilities of any kind owned, operated or otherwise managed by the District. This includes but is not limited to wells, pipelines, pumps, pump station, storage tanks and vessels, irrigation systems, irrigation heads, lines and controls, water system controls, manholes, valves, blow-offs, hydrants, electrical systems, computer and telemetry systems, roads, streets, access ways, drainage ways, storm sewers, signs, signals, warning devices, traffic devices, treatment systems, offices, vehicles, and equipment.

District Manager or Manager shall be the person or management entity appointed by the Board to manage the District and inspect all water, drainage and storm sewer installation, repair, excavations, and connections, the setting of fees, rates and charges, the management of fiscal operations, oversight of maintenance, repair and rehabilitation of District facilities and infrastructure and charged with enforcement of these regulations and the District's standards and specifications.

District Property shall mean all real property owned by the Aspen Village Metropolitan District for the common use and enjoyment of the members of the Aspen Village Homeowner's Association and shall include all areas shown on the recorded plat of the Property not conveyed to an owner as part of a Lot.

Extra-territorial Service shall mean the provision of service to any property not within the approved District's boundary but which lies within the District's approved Service Area. Extra-territorial service is only available on a contractual basis.

Inclusion shall mean the expansion of District boundaries of the Aspen Village Metropolitan District for inclusion of property into the District and shall be granted only in accordance with these Rules and Regulations.

Inspector shall mean District Manager or his authorized agent, employee or contractor.

Inspection fees shall mean a fee assessed the owner for the inspection of any service line or main to be connected to District facilities and is to ensure that all lines, mains, appurtenances or structures constructed comply fully with these rules

and regulations and with the By-laws, Standards and Specifications of the District.

Irrigation Distribution System shall be a ditch or water main, which distributes water to the various service addresses therein for the specific purpose of irrigating lands within the District.

Landscaping shall mean any area planted with grass, trees, bushes, shrubs, flowers or other similar materials including naturally occurring vegetation, which is owned, operated or maintained by the District.

License/Tap Permit shall mean written permission of the Board of Directors to connect to any water or storm sewer main of the District pursuant to the Rules and Regulations and standards and specifications of the District.

Lift Station shall mean the sewage lift station that pumps effluent to the treatment plant.

Person shall mean any individual, firm, company, association, society, corporation or group.

Potable Water shall mean water, which meets community water standards for drinking water quality.

Premises shall mean a single dwelling unit or structure, including detached structures with a common foundation, such as a garage, caretaker unit, or similar that has common ownership.

Private Sewer Service Line shall mean the sewer line from the wye at the sewer main to the individual building being served.

Private Water Service Line shall mean the water line from the curb valve, or tee, or corporation stop at the water main to the individual building being served. Multiple service lines to an individual building are prohibited without prior express written approval of the District.

Private Well shall mean a well not owned by the District. The District does not require the discontinuance of use of private wells in place and use as of December 1, 2000. Such private wells may continue to be used for irrigation but may not be cross-connected to the District's potable water system.

Property Owner shall mean and refer to the record owner, whether of one or more persons or entities, of all fee simple title to any Lot which is a part of the

Property.

Public Storm Sewer shall mean a sewer which carries storm and/or drainage water and to which contaminated water or any hazardous liquid or materials are not intentionally admitted.

Pump Station shall include any facilities owned by the District which may be used for the pumping of water.

Resident shall include Owners of any Aspen Village lot, qualified leaseholders, and tenants.

Recreation Facilities and Common Areas shall mean those facilities owned by the District, which are eligible for use by residents and guests. All guests must be accompanied by an adult resident. No dogs are permitted on any recreational property owned or operated by the District.

Restricted Uses shall mean any restriction adopted by the District or which may be in place as a result of enabling legislation and or land use approvals for Aspen Village. By way of example, no dogs are permitted anywhere within the Village pursuant to County subdivision approval conditions.

Road Cut Permit shall mean any permit issued by the District for the purpose of cutting any District road, street, trail or other means of access.

Road Special Use Fee shall mean any fee assessed by the District to cover unusual wear and tear on District roads caused by construction or heavy traffic. Road Special Use Fees will be assessed to all properties prior to the granting of building permits by Pitkin County.

Rules and Regulations shall include all rules, regulations, standards and specifications adopted by the District's Board of Directors. These rules and regulations may be amended from time to time at the sole discretion of the Board. All residents shall comply with all rules, regulations, standards and specifications of the District as adopted and amended.

Service Area shall mean that area approved by Pitkin County for provision of service outside of the District's taxing boundaries. This includes several small in-fill areas surrounded by or immediately adjacent to the District and includes the Quick-Mart and the Roaring River Ranch.

Stormwater Collection Line shall be a storm sewer main which collects storm or drainage water from the various service addresses therein.

Storm Sewer shall mean any drainage or storm sewer line owned by the District and installed in a street or utility easement.

Sanitary Sewer Extension shall be any sewer main, pipeline or other facility required to connect a developer's sanitary sewer collection system to District service facilities.

Service Line shall mean the water or sewer line that connects the residence or commercial property to the District's water or sewer main. The owner/individual shall own the entire Water Service Line from the residential or commercial point of use to the outlet of the corporation stop at the District's water main. The owner/individual shall own the entire Sewer Service line from the point of private delivery to the wye at the District's sewer main.

Shall is to be construed as mandatory, may is discretionary.

Street Light shall mean any public safety or transportation lighting fixture owned, operated or maintained by the District.

Street Sign shall mean any public safety or transportation street sign or signal owned, operated or maintained by the District.

System Development Charge (Tap Fee) shall mean a fee assessed the owner for the right to access the District roads, water and storm sewer facilities. Tap fees are collected to repay the costs of previously constructed facilities and/or the future rehabilitation or replacement of existing facilities.

Swimming Pool shall include the pool and appurtenant facilities including treatment and pumping systems.

Tap Fee - See System Development Charge.

Tapping Fee - See Connection Charge.

Traffic Signal/Control Device shall mean any traffic signal/control device owned, operated or maintained by the District.

Village shall mean Aspen Village Subdivision.

Water Main shall mean any water line 4 inches in diameter or greater which is owned by the District.

Water Main Extension shall be any water main, pipeline or other facility required to connect a developer's irrigation water distribution system to District service facilities.

Water Meter shall mean the mechanical or electronic device used to measure the quantity of water delivered to a District customer. The meter shall be owned by the resident/property owner, but the District shall have the right to inspect, repair or replace any meter that malfunctions and the cost of such repair shall be the sole responsibility of the owner.

Water Rates shall mean those rates and fees for which water shall be furnished within the District and/or its Service Area.

Water Service shall mean the provision of water to District Constituents or contract holders for a fee or rate established by the Board.

Water System shall mean the entire system complete with all facilities, infrastructure and appurtenances, rules and regulations, standards and specifications.

- 1.8 Authority of Agents and Inspectors. Inspectors and other duly authorized employees or agents of the District with proper credentials shall be permitted to enter upon all properties within the District at reasonable times as necessary for the purpose of inspection, observation, measurement, sampling, testing, maintenance, repairing, and replacing any culverts, water mains, service lines, water meters, valves, pumps, storage vessels, roads, streets, signs, ditches, or other District facilities.

NOTE: Pursuant to Colo. Rev. Stat. §18-8-106, a person commits a Class 1 petty offense if, knowing that a public servant is legally authorized to inspect property (a) he refuses to produce or make available the property for inspection at a reasonable hour or, (b) if the property is available for inspection, he refuses to permit the inspection at a reasonable hour. Pursuant to C.R.S. §18-8-102 (1973), a person commits obstructing government operations (A class 3 misdemeanor) when he intentionally obstructs, impairs or hinders the performance of a governmental function by a public servant by using or threatening to use violence, force or physical interference or obstruction.

- 1.9 Tampering, By-Passing or Unauthorized Use of District Facilities. No person shall by-pass any meter or in any way tamper with or make any use of any of the facilities of the District or the water supplied by or other services provided by the District or make any connection to its drainage, roads or storm water systems or any other facility (except authorized fire fighting personnel) without advance written permission from the Board. Any tampering with or connection to any District facilities without written permission of the Board shall subject the

violator of this section to a minimum penalty of \$500.00 plus a supplemental fee or charge set by the Board, such supplemental fee or charge to be at least as great as the total costs of all water or other products or services taken and all damage or costs caused to the District or its customers by the unauthorized tampering or connection together with all costs and attorneys' fees reasonably incurred in collecting such penalty.

NOTE: Pursuant to C.R.S. §18-4-505, a person commits a Class 1 misdemeanor if he tampers with the property of a utility or institution with intent to cause interruption or impairment of a service rendered to the public by a utility or by an institution providing health or safety protection.

Pursuant to C.R.S. §18-4-506, a person commits a Class 2 misdemeanor if he tampers with property of another with intent to cause injury, inconvenience or annoyance to that person or to another or if he knowingly makes an unauthorized connection with property of a utility.

Pursuant to C.R.S. 18-4-506.5, a person commits a class 2 misdemeanor if he connects any contrivance with any main supplying water without the District's permission or if he alters or obstructs or interferes with the operation of the water meter without the District's permission.

Pursuant to Colo. Rev. Stat. §40-7.5-102, 103, and 104, the District shall be entitled to recover as damages, three times the amount of the actual damages, plus all reasonable expenses and costs incurred on account of the by-passing, tampering, or unauthorized use of any District facility.

- 1.10 Damage. No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface, open or close any lines, valves, tanks, mains, pumps, structures, appurtenances or equipment of the District's water supply, sanitary sewer, lift stations or pumping plants, drainage, storm sewer collection system, traffic, or recreational facilities.
- 1.11 Compliance. If any customer violates any of these rules and regulations or fails to pay when due any of the rates, fees, tolls or charges and interest thereon at 1.5% per month, the District may terminate, disconnect, and/or sever such customer's water or sewer service from the District facilities upon 3 days notice and assess a disconnection charge to be at least as great as the costs and damages to the District or its customers associated with any violations and subsequent disconnection. A disconnection notice may be served upon the occupant or attached to the front door of the premises or mailed by certified mail return receipt requested. Such disconnection charge shall be assessed as an additional charge to the violating customer and, until paid, shall constitute a perpetual lien against the property formerly served, which property may then be foreclosed in the same manner as a mechanic's lien.
- 1.12 Regulation Changes. These rules and regulations may be altered, amended, repealed or reenacted at any regular meeting of the Board of Directors of said District or at any special meeting of the Board called for that purpose.

- 1.13 Invalidity of Rules and Regulations. If any section, subsection, paragraph, clause, or other provision of these rules and regulations shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions.
- 1.14 Liability. Any person violating any of the provisions of these rules and regulations shall be liable to the board for any expense, loss or damage to the District occasioned by such violation, including the District's reasonable costs and attorney's fees to require adherence to these rules and regulations or to collect the penalties, fees, tolls and charges due hereunder.
- 1.15 District Standards and Specifications. The Standards and Specifications of the Aspen Village Metropolitan District are incorporated herein as an integral part of these Rules and Regulations. In the event any rule, regulation, or standard adopted by the District conflicts with another rule, regulation, or standard, the District in its sole discretion shall determine which rule, regulation, or standard shall control.

The Standards and Specifications of the District shall be equal to the standards and specifications of the American Water Works Association, Version 2005 or the most current standard adopted by the District.

SECTION II. SERVICE POLICY

- 2.1 Eligibility of Service. All properties situated inside the corporate boundaries of the District as of its date of incorporation shall be eligible to receive all services provided by the District upon compliance with these rules and the payment of all required fees. The District presently serves two properties not included within the Corporate Boundaries of the District, but service to these properties is provided under an extra-territorial service agreement. These agreements were in place prior to the establishment of the District.
- 2.2 Inclusion of Property into the District. Property not eligible for service by the District may petition the District Board for inclusion into the District; however, the decision on whether to include any property lies solely within the discretion of the District's elected Board of Directors. Landowners wishing to include property into the District must petition the District for inclusion of such property in strict compliance with Colorado Revised Statutes, Sections 32-1-401 and 32-1-402 complete, and all administrative rules of the District as of the date of petition for inclusion. The Petitioner must pay all fees and costs associated with the inclusion and agree to be bound by all District Rules, Regulations, Standards and Specifications.
- 2.3 Exclusion of Property from the District. Fee owners of property within the District may petition the Board for exclusion of such property in accordance with Colorado Revised Statutes, Section 32-1-501.
- 2.4 License/Tap/Connection Permit. The right to take and use water distributed through or have waste water collected by District facilities shall exist only under license, and before any tap or connection is made to the District's water or sewer mains or roads separate written permits therefore shall be obtained from the District and all required fees shall be paid. For connection to any irrigation ditch, a written permit from the District shall be obtained and the required fees therefore paid.

Application for water tap permits, sanitary sewer permits or road access shall be made to the District on forms furnished by the District which shall give a full description of the tap and service line work to be done, the address of the property or unit seeking to connect, the name of the licensed & approved contractor to perform the work under the permit, and such other information as may be required by the individual permit. Any permit may be revoked if the installation or use covered by the permit is not in accordance with requirements of these regulations or any prescribed standard and specification of the District or any governing rule of the Board.

The Licensee shall have the right to use water on the licensed premises only and for the purposes specified in the license, subject to the modification, suspension or revocation of such license as provided herein. The Licensee shall not deliver any wastewater to the storm sewer system from any premises or use including swimming pools, spas, Jacuzzi, et cetera, without the prior written consent of the District, which the District shall have sole discretion to grant or deny. It is the intent of the District that all wastewater be delivered to the District's sanitary sewer system.

Licenses attach to the licensed premises only. Licenses are not affected by changes in ownership of the licensed premises but can be affected by changes in use. Licenses cannot be transferred from one premises to another without the prior written consent of the District.

- 2.4.1 Accessing District Facilities. No District water, irrigation ditch or sanitary sewer main shall be tapped into or connected to without first having received a tap permit or connection permit as described in Section II, paragraph 2.4, above, and second, having scheduled a tapping date and time with the District's manager. All taps to District mains shall be made in accordance with the District's Standards & Specifications. No tap made to any District main shall be buried prior to inspection by a District Representative. Taps to District mains shall only be made by District approved contractors or District Staff. District Staff must inspect connections to District irrigation facilities prior to use.
- 2.5 Separate License/Tap Permit. Not more than one connection to the water or sewer main shall be allowed under each permit. A permit shall be limited to one independent structure and licenses attach to the licensed premises only. No combination of permits shall be allowed, and each permit is separate from any other permit.
- 2.6 Other Permits. No permit issued by the District shall be taken as authority for the making of any cut in a District road or street, nor in lieu of any permit required by any other regulatory body. Permits required by other agencies are the responsibility of the Contractor. A District Road Cut Permit must be issued by the District and all appropriate fees paid prior to any cutting of any District road.

Hydrant Permit. No fire hydrant shall be used for any purpose without a valid hydrant permit, issued by the District. All fees and deposits associated with hydrant permits shall be due in advance. Charges for water used under such permit shall be calculated on actual gallons delivered and shall include special administrative costs as may be deemed necessary and appropriate.

Road Cut Permit. No cut to any road, street, trail or access way within the

District shall be undertaken without first having received a permit from the District.

Road Special Use Permit. The District does not allow parking on any road or street, including shoulders, within the District without an appropriate permit. Contractor parking, special event parking or any temporary parking may be allowed by permit only.

Special Water Use Permit. The District may allow special use of water during periods of restriction for construction, irrigation of newly installed landscaping, filling of swimming pools, and other purposes. The issuance of any Special Water Use Permit shall be at the sole discretion of the District and shall not be subject to appeal.

Stub-Out Permit: No stub-out taps and service lines shall be permitted to be attached to any District main without prior approval of construction plans and the issuance of one stub-out permit for each proposed stub-out. Stub-out permits shall be valid for one year from date of issue and renewable for one year by application to the District and payment of appropriate fees.

- 2.7 Service Line. A licensed contractor, in accordance with these regulations, and the standards and specifications of the District, shall install private water and sewer service lines. No new buildings with water requirements or sanitary sewer requirements of any nature shall be constructed within the District unless connected to the District's water and sewer systems, nor shall they be constructed until approval to discharge storm water to District facilities has been granted by the District.

Location, excavation, trench shaping, pipe bedding and backfilling for installation or any repairs shall be constructed in accordance with the District's Standards and Specifications and are subject to approval by the District, who shall inspect all mains, service lines and connections before they may be covered. All water service lines shall be installed with a minimum of 72 inches of cover and all storm sewer service lines shall be installed with a minimum of four feet of cover except where exiting to a District above-ground structure.

1. Private Water Service Lines. These lines shall be constructed of high density polyethylene piping with compression or mechanical fittings.
2. The size and slope of the storm sewer service line shall be subject to the approval of the District's inspector, but in no event shall the diameter be less than 4 inches. Minimum sizes and grades shall be as follows:

4 inches - 1%; 6 inches - 0.8%; 8 inches - 0.5%

- 2.8 Maintenance. Each customer shall be responsible for maintaining the entire length of his private water and sewer service line. The owner shall repair leaks in any service line within 72 hours of notification of such condition or the District shall have the authority to repair the leak and bill the owner for the resulting costs.

The District shall be responsible for maintaining all public water & sewer facilities within the boundaries of the District.

- 2.9 Pressure Reducing Valves. When individual water service connections require a pressure reducing valve (see Section 2.12 of District Standards), the valve shall be furnished and installed by the owner and shall be the property of and shall be maintained by the customer.
- 2.10 Water System Connecting Loops. Connecting loops and cross ties specified by the District for water distribution system extensions or water service extensions to any property shall be installed by the property owner.
- 2.11 Disconnections. No service line connected to a District main shall be disconnected therefrom without the prior authorization of the District. Upon receipt of approval for disconnection, service lines or mains shall be disconnected and abandoned in accordance with the District's Standards and Specifications.
- 2.12 Hearing and Appeal Procedures. The hearing and appeal procedures adopted by the District shall apply to all complaints concerning the interpretation, application or enforcement of the District's Rules and Regulations, and Standards and Specifications. It shall not apply to any rule, regulation, standard or specification, which is specifically exempted from the hearing or appeal process.

2.12.1 Initial Complaint - Informal Resolution. Complaints concerning the interpretation, application, or enforcement of any District Rule, Regulation, Standard or Specification must be in writing and presented to the Manager. Upon receipt of the complaint the manager, after full and complete review of the allegations contained in the complaint, shall take such action as may be warranted and shall notify the complainant of the action taken with fifteen (15) days after receipt of the complaint.

2.12.2 Appeal. In the event the complainant is not satisfied with the decision or action taken by the manager, the complainant shall advise the manager in writing of the reasons for continued dissatisfaction and shall request a formal hearing of the complaint. The manager shall then designate a hearing officer who may be an officer, agent, or employee of the Board, provided that said hearing officer shall not have participated in any manner in the decision or action, which is the subject

of the complaint. The hearing officer shall then schedule a hearing within 30 days of the receipt of the request for a formal hearing and shall notify the complainant by certified mail of the hearing date and time.

2.12.3 Formal Hearing. The complainant and representatives of the District shall be permitted to appear in person and complainant may be represented by any person of his/her choosing. The District and complainant shall be entitled to present evidence and argument; together with the right to confront and cross-examine any person; and the right to oppose any testimony or statement made which may be relied upon by the hearing officer to reach a decision on the complaint. The hearing officer may receive and consider any evidence which has value to the hearing and which is commonly accepted by reasonable and prudent persons in the conduct of such a hearing.

The hearing officer shall determine whether reasonable grounds exist to support the interpretation, application or enforcement of any rule, regulation, standard or specification upon which the complaint is based. If such grounds exist, the hearing officer shall then determine whether extenuating circumstances also exist with regard to the specific complaint. The hearing officer's decision shall be based on evidence provided at the hearing and the burden of proof shall be on the District as to reasonable interpretation, application or enforcement. The burden of showing sufficient extenuating circumstances shall be on the complainant.

2.12.4 Limits of Hearing Officer's Authority. The hearing officer, while having the right to correct errors, interpret rules and regulations, and standards and specifications, make adjustments and otherwise do equity, shall not have the authority to alter or make any finding contrary to the Board's rules and regulations or standards and specifications, as may be changed from time to time.

2.12.5 Appeals to Board. An appeal of the hearing officer's decision may be taken to the District's Board of Directors who shall be the sole and final determiner of any complaint relating to an interpretation, application or enforcement of any rule, regulation, standard or specification of the District. The Board shall consider such appeal at any regularly scheduled or special Board meeting held within a reasonable time after filing of the appeal. The Board's consideration of the appeal shall be limited exclusively to a review of the record, supplemented by any additional statements by either the District or the complainant which support their respective positions, provided however, that no further evidence, unless discovered subsequent to the date of the the hearing before the hearing officer, shall be presented by any party to the appeal and there shall be no right to a new hearing before the Board.

SECTION III. SANITARY SEWER SYSTEM

3.1 General Provisions and Use.

- 3.1.1 Ownership and Operation. The sanitary sewer system shall be owned and operated by the District in accordance with the District's Rules and Regulations and Standards and Specifications. The District shall own all collection and transmission mains and treatment facilities. Private ownership of service lines shall include all lines and appurtenances from the point of discharge to the wye connection at the sewer main.
- 3.1.2 Detrimental Effluents Prohibited. Toxic or non-toxic biodegradable waste or any waste, which violates State water quality standards shall not be discharged into the sanitary sewer system. Oils and greases for mechanical uses, gasoline, fuels and petroleum products shall not be discharged into the sewer system. No foreign matter, which could cause stoppage may be discharged into the sewer system. No drain or discharge from vehicle wash racks, filling stations, restaurants or other building sewers as specified by the District shall be connected to any sewer service line unless the discharge first passes through an acceptable grease, sand and oil interceptor, approved in writing by the District.
- 3.1.3 Manufacturing, Commercial and Industrial Uses. Manufacturers and industries are prohibited from using the District sewer system unless they first obtain a special permit from the Board defining the conditions, limitations and restrictions on use and the fees and charges established by the Board to cover all costs of collection, transmission and treatment.

Except as provided herein, no person shall discharge or cause to be discharged any of the following described liquids or wastes into any District sanitary sewer system.

- a. Any liquid or vapor having temperatures higher than 150 degrees Fahrenheit.
- b. Any liquid or waste which may contain more than 100 ppm by weight of animal or vegetable fat, oil or grease.
- c. Any gasoline, benzene, fuel oil or other flammable or explosive liquid, solid, or gas, oil or grease.
- d. Any garbage, waste water, grey water or sewage effluent.
- e. Any vegetation ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, paunch manure or any other solid or viscous substance capable of causing obstruction to the

flow in sewers or other interference with the proper and normal operation of the storm or drainage works.

- f. Any waters or wastes having pH lower than 5.5 or higher than 9.0 or having any other corrosive or toxic property capable of causing damage or hazard to structures, equipment and personnel.
- g. Any liquids or wastes containing a toxic or poisonous substance in sufficient quantity to injure or constitute a hazard to humans, animals or fish or create any hazard in the receiving waters.
- h. Any liquids or wastes containing suspended solids of such character and quantity that unusual attention and expense is required to handle such materials.
- I. Any noxious substance or malodorous waste, liquids, gases or substance capable of creating a public nuisance, either in the public sewer, or at the discharge point of the sewer system.

Grease, oil and sand interceptors shall be provided when, in the opinion of the District, they are necessary for the proper handling of liquid wastes containing greases, oils, et cetera, in excessive amounts, or any flammable wastes, sand and other harmful ingredients. All interceptors shall be located as to be readily available and accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes of temperature. They shall be water tight and, if necessary, gas tight. Where installed, all grease, oil and sand interceptors shall be maintained by the owner, at his expense, in continually efficient operation at all times.

Where necessary, the owner shall provide at his expense such preliminary treatment as may be necessary. Where preliminary treatment facilities are provided for any wastewater they shall meet with the approval of the District for adequacy of design and, once built, shall be maintained continuously in satisfactory and effective operation by the owner. When required by the District, the owner of any property served by a sewer line carrying pre-treated water shall install a suitable control manhole in the sewer to facilitate observation, sampling and measurement of the discharge. Such manhole shall be accessible and safely located and constructed in accordance with plans and specifications approved by the District. The manhole shall be installed and maintained by the owner at his own expense.

- 3.1.4 Swimming Pools. No public or private swimming pool shall be connected to the District's sanitary sewer system without prior written consent of the District.

3.1.5 Natural Outlets. It shall be unlawful to discharge any fuels, oils, sanitary sewage, industrial wastes or other polluted liquids into any natural outlet or drainage within the service area of the District.

3.2 Charges, Fees and Billing.

3.2.1 Cash Deposit. The District may require at any time from any customer or prospective customer a cash deposit intended to insure payment of any bill, charge or fee.

3.2.2 System Development Charge/Tap Fee. Tap fee assessments are paid to the Aspen Village Metropolitan District. Current fees are based on the estimated capacity requirement of the property and incorporate a system capacity fee and replacement/improvement fee. It is the Owner's responsibility to contact the District for an assessment of the appropriate tap fees prior to commencing construction of any sewer service.

a. New Taps. All tap fees shall be paid prior to the scheduling of any tap or connection of any service to the sewer facilities within the District.

b. Existing Taps. Additions to properties already connected to the sanitary sewer system require review by the District to determine if additional tap fees will be required as a result of the addition.

3.2.3 Connection/Tapping Fee. Tapping into and connecting private lines to any District main shall be performed by a licensed contractor and inspected by the District before backfilling. Contractors must be pre-approved by the District to perform work within the District. In the event the District makes a tap or connection for the Owner, Owner shall be responsible for payment in advance of the District's Connection Fee. Payment of these fees is required before such work can be scheduled.

3.2.4 Inspection Fee. A fee shall be charged by the District for inspection of any private or public facility connected to a District main, infrastructure or facility. The fee shall be not less than the actual cost of the inspector's time and associated inspection/testing costs.

3.2.5 Billing and Payment. Statements for all fees, charges, assessments and penalties shall be rendered monthly or quarterly at the discretion of the District. Charges for late payments shall be added to the statements.

Payment for sewer services shall be due within 15 days from the date of the statement. Payments received after the fifteenth day will be charged a \$15 late fee plus 1.5% per month (18% per annum) finance charge, with no exceptions. Bills not paid shall be declared "overdue," and the

manager of the District may disconnect either the water service or the sewer service for failure to pay after written demand for payment has been made and a notice posted upon the front door of the residence or delivered by certified mail. Disconnection may not occur until three days after “shutoff” notice.

Since sewer service may be unnecessarily difficult or expensive to terminate, the District shall have the option of disconnecting water service to eliminate the discharge of sewage or effluent into its system.

Once the service has been terminated it shall not be re-connected nor re-established until the District has received all fees and charges due. A notice of service termination shall be posted on the property. Any tampering with District facilities shall invoke penalties described in Section 1.9 herein.

SECTION IV. - WATER SUPPLY SYSTEM

4.1 General Provisions and Use.

This section specifically addresses the public water facilities owned and operated by the Aspen Village Metropolitan District.

- 4.1.1 Ownership and Operation of the Water System. The water supply system shall be owned by the District and operated consistent with these Rules and Regulations and the Standards and Specifications of the District and no private systems shall be built, operated or maintained within the District's service area without the prior express written permission of the District's Board of Directors. Such private systems shall only be permitted when the District has determined that no public water supply is or can be made available by the District. Private irrigation systems are exempt from District approval except they may not be cross-connected to any District facility or line.

The District shall own all water facilities between the source of supply and the point of delivery, which is the corporation valve at the main, which valve shall be owned by the District. The individual shall own from the outlet side of the corporation valve to the point of use including the entire service line and water meter. The District shall have the right to inspect, repair, and replace any meter deemed to be faulty or inaccurate in its measurement of water delivered, and such costs of repair or replacement shall be the responsibility of the property owner.

The District shall also have the right to operate any valve on the private service line to control or otherwise stop the flow of water from the main.

Only contractors approved by the District shall be permitted to work on any District water main or service line. Contractors may be pre-approved by application to the District.

- 4.1.2 Water Use and Restriction. The District shall have the authority to institute regulations and restrictions on irrigation water use during such times as water supplies are inadequate to meet normal demands for water. Such regulations and restrictions may include limitations on types of use and hours or days of use.

The watering of lawns is prohibited when notification of such prohibition has been issued by the District.

- 4.1.3 Metered Service. All residential, and commercial users, including temporary users and extra-territorial users, served by the District water system shall operate on a metered service basis. Meters meeting District specifications must be installed at property owner's expense prior to connection with the water system. Owners who are already connected to the District's water system and are not operating on a metered basis shall convert to a metered basis within 60 days of notification by the District. Meters shall be in a curb box or other installation at the point of delivery specified by the District. The design of the meter installation, remote read-out and shut-off valves must be approved by the District prior to installation and must be available to District representatives at all times.
- 4.1.4 Liability. No claim for damages shall be made against the District by reason of the following: Damage to any part of the private water system or other personal property resulting from shutting water off or turning it on or inadequate or sporadic pressures or damage caused by any blockage or water escaping from open or defective faucets or damage caused by burst service pipes or other facilities not owned by the District.
- 4.1.5 Tampering with Meter Prohibited. It shall be unlawful for any person to tamper with any water meter or remote read-out installed on any service connection on the water mains of the District or to place, install or put on or near any such meter or read-out any instrument or device which will affect to operation or the reading thereof.
- 4.1.6 Wasting of Water Prohibited. It shall be unlawful for any person having a permit to use water from the District to permit, suffer or allow water to run to waste upon his premises, buildings, houses or lots, or in any manner through neglect or by reason of faulty or imperfect plumbing or fixtures.
- 4.1.7 Access to Water Hydrants; Unauthorized Obstruction or Operation; Penalties. Any damage caused to a District hydrant or other facility while being operated under a valid Hydrant Permit shall be the sole responsibility of the Permittee. All costs of repair or replacement shall be borne by the Permittee.

It shall be a violation for any unauthorized person to open or operate any water hydrant, draw water therefrom or obstruct the approach thereto. (See § 1.9.) Violators shall be subject to fines and all damages associated with such unauthorized use including the cost of any repairs needed to return the hydrant to acceptable condition.

- 4.1.8 Construction Water/Temporary Water Use. The District issues temporary

licenses for special uses for limited periods of time. Special purposes for which temporary licenses are issued include:

1. Construction
2. Temporary Irrigation
3. Special situations which may require the use of water for a limited period of time.

Unless renewed, temporary licenses expire on the termination date specified in the license and no continuation of water service is permitted beyond that date.

4.1.9 Damage to District Facilities. Any damage caused to any District facility by any person shall be the sole responsibility of the person, company, or entity causing such damage. The cost of repair or replacement shall be borne solely by the responsible party and such costs shall include, but may not be limited to, any costs associated with the repair or replacement of the damaged facilities, including all costs incurred by the District or its agents, and all repair or replacement costs associated with any damage caused by fugitive water.

4.1.10 Connection Required. Unless a written exemption is obtained from the District, all residences and other buildings constructed within the District in the future or presently existing, shall be required to connect to the District's water system.

4.2 Charges, Fees and Billing.

4.2.1 Base Rate and Meter Rate Charge. Water service rates to all residences are presently included in the O&M taxes collected by the District.

(a) Temporary Use Rates. The service charge for temporary use water shall consist of a base rate of \$50.00 per month or any part thereof, and \$7.50 per 1000 gallons delivered.

(b) Extra-territorial Use Rates. The service charge for water delivered through an extra-territorial use contract shall be established within the Extra-territorial Service Agreement. In no event shall the water furnished to an extra-territorial user be at a lower cost than for water furnished within the District.

4.2.2 Cash Deposit. The District may require at any time from any customer or potential customer a cash deposit intended to insure payment of current

bills, such deposit not to exceed an estimated 90 day's bill of each customer.

a. The District may require a cash deposit in advance from any contractor, developer, or owner to be applied to any fees which might be due or owing under Sections 4.2.1 (a), 4.2.5 and 4.2.6 herein.

4.2.3 Shut-off and Turn-on Service Charge. A service charge of at least \$200.00 may be assessed a customer for each shut off of water service, howsoever occurring. If the cost of such a shut-off or turn-on exceeds \$200.00, the customer shall be assessed all costs related thereto.

In no event shall a service that has been disconnected be reconnected without prior approval from the District and the payment of all outstanding fees, charges and costs. In the event of a disconnection, the District shall post a notice at the property including the reason for disconnection.

4.2.4 System Development Charge (SDC) - Water. No water utility service shall be provided to any new connection or to any addition to existing service until the appropriate System Development Charge has been paid.

a. Transferability of SDC's- SDC's are not transferable from one property to another without consent of the District.

b. Refund of SDC's - SDC's may only be refunded by written authorization of the District's Board of Directors. No SDC refund shall be granted for any tap placed into use.

4.2.5 Connection/Tapping Fee In addition to the system development charge, there is a fee assessed by the District for the labor and materials involved in the installation of a service tap. The District tapping fee is on a direct cost reimbursement basis and includes the total costs involved with tapping the line, installing the corporation stop and service line to the curb stop box.

4.2.6 Review, Inspection, Testing & Other Fee The District shall require payment of appropriate fees for the provision of services or costs not directly related to the sale of water. These include plan review fees, construction inspection or observation fees, testing & materials fees, engineering, legal and professional fees, and others. All fees shall be reimbursed at actual District cost and billed in accordance with Section 4.2.7 below.

In addition, any costs required to be paid by the contractor, developer or owner, such as insurance costs, costs to repair or replace damage facilities, et cetera, may be paid by the District at the District's sole discretion, and all monies so paid by the District shall be subsequently charged to and paid by the contractor, developer, or owner.

- 4.2.7 Billing and Payment. Statements for all fees, charges, assessments, and penalties shall be rendered monthly or quarterly at the discretion of the Board. Charges for late payments shall be added to the statements.

Payments are due within fifteen days of the invoice date. Payments received after fifteen days may be charged a late fee of \$15 plus 1.5% per month (18% per annum) late payment charge with no exceptions. Bills not paid shall be declared "overdue" and the manager of the District may be instructed to disconnect the service until full payment is received, and further, the manager may place a lien upon the property in order to ensure collection of all charges and fees. In the event the District is required to disconnect service, a notice of disconnection shall be affixed to the front door of the residence and disconnection shall occur not less than three days following the disconnection notice. Re-connection of the water service shall require payment of all late fees plus the service charge contained in Section 4.2.3 herein.

- 4.3 Compliance with Plan for Augmentation and Water Rights. The ability of the District to deliver water to its constituents is detailed in the Plan for Augmentation and Water Rights applications made to Division 5 Water Court in Cases CA-5884 and 81CW432. The District may be limited to diversion amounts contained in these cases during times of administrative curtailment. During such periods of time, or during periods of drought when water supplies may be limited, the District shall: a) not violate the terms and conditions of the Plan for Augmentation and its water rights; and b) reserve the right to reduce or curtail deliveries to its constituents.
- 4.4 Water Use Restrictions. If conditions exist where the District in its sole discretion determines that water supplies should be restricted in order to supply basic household uses, then notice of such action shall be published in a local newspaper of general distribution giving the reasons for such water restrictions and detailing the limited conditions of continued use. Once the notice has been published for a period of one week, the water restrictions shall be in full effect until terminated by the District. Such restrictions may include an immediate cessation of irrigation or other outside uses and/or a reduction in water usage permitted for domestic purposes.

- 4.5 Enforcement. The violation of any water use restriction or waste of water shall be grounds for the suspension or revocation of water service to any user served by the District. The owner or occupant of any residence or commercial property or other building receiving services within the District shall be responsible for complying with these rules and regulations and any water use restrictions placed by the District, and shall be subject to any actions, fines or penalties adopted by the Board, and which may be modified from time to time.

SECTION V. LINE EXTENSION POLICY

- 5.1 General. It shall be unlawful for any person to construct a water or sewer main or service line within the jurisdiction of the Board without first having made formal application to the Board for approval and having complied with all the regulations and rulings of the Board.

The applicant shall provide the District with definitive preliminary engineering plans and plats including topography of all proposed development projects which require installation of water and sewer mains. The District shall review such plans, plats, and other submittals and District approval must be obtained prior to preparation of the final plans. Applicant must obtain and dedicate to the District all necessary easements without charge for all water and sewer mains and related facilities. The applicant shall further obtain and grant to the District any additional easements necessary for installation of the water and sewer mains and related facilities prior to the signing of a contract for the actual construction thereof. The applicant shall pay any costs for acquisition of land or easements necessary for the District to serve the proposed project.

No water or sewer lines shall be constructed within the Board's jurisdiction until the Manager has approved final plans and specifications and has issued written authorization to proceed. No excavation in any District road shall be started until a District road cut permit has been obtained. No mains or service lines shall be back filled prior to being inspected by the District or placed into operation unless they have been accepted and approved in writing by the District's authorized representative.

No private mains shall be approved for installation within the District without the prior written approval of the District Board, which approval shall not be granted unless the Board shall determine that the private main can be constructed and maintained throughout its economic life to the same standards required for a District Main.

- 5.2 Procedure for Main Line Extension Construction. Upon approval of preliminary planning for a proposed project, the landowner or developer will then prepare detailed plans and contract documents for final review by the District.

To the extent the proposed development requires changes or increases in line size, storage, valves or other existing District facilities in order to serve or provide fire flows for the development then developer shall be required to design and construct all such improvements at his own expense. Dedication to the District of facilities and improvements constructed shall be in accordance with paragraph 5.4 herein and with the Standards and Specifications of the District.

- 5.3 Inspection Fees. The Owner/Developer shall pay all inspection fees required by the District. These include plan review fees, construction inspection or observation fees, testing & materials fees, engineering, legal and professional fees, and others. All fees shall be reimbursed at actual District cost.
- 5.4 District Ownership. Landowners or developers who have completed main line construction shall, before these lines are accepted by the District for taps, deed these lines and appurtenance to the District free and clear of all liens and encumbrances and furnish a bond to cover all maintenance for encumbrances and furnish a bond to cover all maintenance for one year from the date of acceptance of the lines by the District. Normally, this will be a contractor bond incorporated in the construction contract documents.
- 5.5 Rights-of-Way. No water or sewer facilities shall be constructed within the District, which do not fall within a District right-of-way or within a District approved and accepted utility easement.
- 5.7 Utility Easements. Easements are required wherever a water or sewer main is not planned for installation in a public right-of-way. All easements shall be prepared in accordance with the District's Standards and Specifications.

SECTION VI. - ROADS, STREETS AND SAFETY PROTECTION

- 6.1 General. The District shall own, operate and maintain all roads, streets, culverts, storm drains and ditches, public sidewalks, street and traffic signage and other roadway improvements for the benefit of residents of Aspen Village.

It shall be unlawful for any person or entity other than the District's staff or contractor to construct, excavate, repair, rehabilitate or replace any road within the jurisdiction of the District without first having made formal application to the District for approval and having complied with all the regulations and rulings of the District.

The applicant shall provide the District with definitive preliminary engineering plans and plats including topography of all proposed development projects which require installation of roads, streets or traffic signage and signals. The District shall review such plans, plats, and other submissions and District approval must be obtained prior to preparation of the final plans. Applicant must obtain and dedicate to the District all necessary easements without charge for all roadways and related facilities. The applicant shall further obtain and grant to the District any additional easements necessary for installation of any utilities and related facilities prior to the signing of a contract for the actual construction thereof. The applicant shall pay any costs for acquisition of land or easements necessary for the District to serve the proposed project.

No roads, streets or safety improvements shall be constructed within the Board's jurisdiction until the District has approved final plans and specifications and written authorization to proceed has been obtained from the District. No excavation shall be started until all permits of the District or County have been obtained. No roads or streets shall be paved prior to being inspected by the District nor placed into operation unless they have been accepted and approved in writing by the District's authorized representative.

No private roads shall be approved for installation within the District without the prior written approval of the District Board, which approval shall not be granted unless the Board shall determine that the private road can be constructed and maintained throughout its economic life to the same standards required for a District road.

- 6.2 Procedure for Road Extension Construction. Upon approval of preliminary planning for a proposed project, the landowner or developer will then prepare detailed plans and contract documents for final review by the District.

To the extent the proposed development requires changes in existing roadways or

other existing District facilities in order to provide access or adequate fire protection for the development then developer shall be required to design and construct all such improvements at his own expense. Dedication to the District of facilities and improvements constructed shall be in accordance with paragraph 6.4 herein and with the Standards and Specifications of the District.

- 6.3 Review, Inspection, Observation, Testing & Other Fees. The District shall require payment of appropriate fees for the provision of special services. These include plan review fees, construction inspection or observation fees, testing & materials fees, engineering, legal and professional fees, and others. All fees shall be reimbursed at actual District cost. Actual cost does not include late fees, finance charges or other fees due for late payment.

In addition, any costs required to be paid by the contractor, developer or owner, such as insurance costs, costs to repair or replace damaged facilities, et cetera, may be paid by the District at the District's sole discretion, and all monies so paid by the District shall be subsequently charged to and paid by the contractor, developer, or owner.

- 6.4 District Ownership. Landowners or developers who have completed road way construction shall, before these roads are accepted by the District for use, deed the roads and appurtenance to the District free and clear of all liens and encumbrances and furnish a bond to cover all maintenance for encumbrances and furnish a bond to cover all warranty maintenance for one year from the date of acceptance of the roads by the District, or provide an easement or right-of-way acceptable to the District for the entire width of the road, including ditches, and set-backs for signage, hydrants or other District facilities. Easement requirements are contained within the District's Standards and Specifications, all of which are incorporated herein.

- 6.5 Rights-of Way. No roads, streets or safety improvements shall be constructed within the District which do not fall within a District right-of-way or within a District approved and accepted road easement or an alignment owned by the District.

- 6.6 Utility Easements. Easements are required wherever utilities are proposed for installation in a District right-of-way. All easements shall be prepared in accordance with the District's Standards and Specifications.

- 6.7 Damage to District Roads or Signs. Any damage caused to any District road by any person shall be the sole responsibility of the person, company, or entity causing such damage. The cost of repair or replacement shall be borne solely by the responsible party and such costs shall include, but may not be limited to, any

costs associated with the repair or replacement of the damaged roadway, shoulder, sub-grade, drainage, and/or traffic systems, including all costs incurred by the District or its agents, and all repair or replacement costs associated with any damage caused by fugitive water.

- 6.8 Road Special Use Fee and Road Damage Deposit. In addition to all other fees and permits, the District shall have and exercise the right to assess road use fees and to collect a road damage deposit to offset potential damage created to District roads by individual users, contractors, vendors, suppliers, et cetera. These fees and deposits shall be due and payable to the District at the time of issuance of any building permit. The District Board reserves the right to refuse to allow certain vehicles to use the roads or streets of the District unless and until such fees or deposits have been paid to the District and unless and until the proposed vehicle use can be shown to cause no damage to District roads or streets.
- 6.9 Parking and Traffic Control. As stated previously, the District's roads are not for public use except by specific invitation. Parking is not permitted on any road within the District between the hours of midnight and 6:00 AM. Violation of the District's parking rules may result in a fine being issued by the District, the vehicle being booted or the vehicle being towed at the owner's expense. The District has established a fine schedule for parking violations that begins at \$30.00 per violation. Repeat offenders may be subject to the installation of a Denver Boot upon a vehicle and the cost to remove a boot shall be not less than \$75.00.

All vehicles must be registered annually. Up to, but not to exceed, three (3) permits will be issued annually to each Aspen Village residential lot for use in the common-area parking spaces, beginning January 1, 2008.

Vehicles left on any road or street of the District are subject to immediate towing if the vehicle prevents any routine maintenance activity of the District, such as snow removal, sanding, sweeping, et cetera. There are common residential parking areas within the Village that may be used as off-street parking for residents and guests; however, unregistered vehicles or vehicles left more than 72 hours in a common residential parking area may be towed.

Any vehicle towed to the District impound lot shall be subject to a tow and impound fee of not less than \$125 plus a daily impound rate of \$5.00. All charges and fees associated with the tow and impoundment of any vehicle must be paid in full by cash or other certified means prior to the release of the vehicle. Any vehicle removed from the impound lot by any person without the payment of all fees and charges shall be subject to additional fines and fees including all costs of collection.

6.10 District Vehicle Storage Facility. The District owns, operates and maintains a vehicle storage area within the District. In order for a vehicle to be legally stored within the storage facility, the vehicle must be owned by a property owner or current resident within Aspen Village and the vehicle must be: a) registered with the State of Colorado with a photocopy of the registration or title provided to the District; b) a private non-commercial vehicle (a small commercial vehicle may be allowed with prior written permission of the District); c) registered with the Aspen Village Metropolitan District to obtain the appropriate vehicle storage sticker; d) current on payment of all appropriate storage lot fees; and any vehicle stored in the District's storage lot must be moved or removed from the lot immediately, if so requested by the District. The District may require removal of any vehicle with or without cause.

6.10.1 Non-vehicle storage may be allowed or declined at the sole discretion of the District. For storage to be allowed, the District must conclude that the storage of the non-vehicle will not cause any safety concern, negative visual impact, or violation of any rule or regulation of the District, or any county or state law.

6.10.2 Any vehicle required to be removed from the Vehicle Storage Facility by the District that is not removed within two weeks upon notice to the vehicle's owner may be subject to removal at owner's expense.

6.10.3 The District assumes no responsibility or liability for the safety or security of the Vehicle Storage Facility or any immediately adjacent areas. Use of the Vehicle Storage Facility is at the owner's sole and exclusive risk.

SECTION VII - PARKS AND RECREATION

- 7.1 General. All recreational facilities of the District are intended for use by residents and guests of the District only and all users are subject to the rules contained herein. The District owns, operates and maintains a ballfield, a playground, a swimming pool and community center.

- 7.2 Use of District Recreational Facilities. Use of District recreational facilities is open to all residents as follows:
 - 7.2.1 The pool operates and is generally open between Memorial Day and Labor Day between the hours of 8:00 am and dusk. The District may permit use of the pool for special events.

 - 7.2.2 Ballfields and open space areas are available for use between 8:00 am to dusk. No motorized vehicles are allowed on these facilities at any time. Fires are permitted in enclosed fireplaces or grills only.

 - 7.2.3 Playgrounds are open for use during daylight hours only.

 - 7.2.4 No dogs are allowed in any District park or open space.

SECTION VIII. BYLAWS

8.1 Directors and Meetings.

- 8.1.1 Board of Directors. The property and business of the District shall be managed by a five-member Board of Directors who shall be elected and otherwise chosen pursuant to, and shall exercise the powers granted by law, particularly § 32-1-1001 et. seq.
- 8.1.2 Recall. Any director who has been a board member for six months is subject to recall pursuant to the procedures enumerated in Colo. Rev. Stat. §32-1-906, as amended.
- 8.1.3 Meetings and Minutes. The board shall meet the third Tuesday of each month, or as required, at 31 Aspen Village Road, Aspen, which is the Community Center of the District in Pitkin County, Colorado. Board meetings may also be held at 715 West Main Street, Aspen, which is the registered office of the District, also in Pitkin County, Colorado. Public notice of the time and place designated for regular meetings shall be posted by the secretary or manager of the District in at least three public places within the District and at the Pitkin County Court House in Aspen, Colorado, such notices to remain posted and to be changed in the event that the time and place of such regular meeting is changed. Meetings may be held at other locations within the District or without, so long as the meeting location is properly noticed and business of the District is duly conducted. An accurate accounting of the proceedings and contents of each meeting shall be recorded in written form and shall constitute official minutes of the meeting. The District Manager or the Secretary of the Board shall sign these minutes.
- 8.1.4 Quorum. Three members of the Board shall constitute a quorum at any meeting.
- 8.1.5 Rules of Order. So far as practical, Roberts' Rules of Order shall be followed at meetings of the Board.
- 8.1.6 Compensation. Each member of the Board may receive as compensation for services a sum to be determined in advance by resolution of the Board not in excess of \$1,200.00 per annum, payable at the rate of \$75.00 per meeting attended. No member of the Board shall be interested in any contract or transaction with the District except in his official representative capacity and no member of the Board shall receive any compensation as an employee of the District or otherwise other than as provided in this

section.

8.1.7 Vacancy. Any vacancy on the Board shall be filled within 60 days by appointment of the remaining members or member of the Board, the appointee to act until the next biennial election when the vacancy shall be filled by election.

8.1.8 Election Day. The biennial election of the directors shall be held on the Tuesday succeeding the first Monday in May of every even-numbered year with the first such election to be held in the first even-numbered year after the organization of the District and successive elections to be in every second calendar year thereafter.

8.2 Officers.

8.2.1 Elective Officers. The elective officers of the District shall include a president, vice president, secretary and treasurer. The Board shall elect one of its members as Chairman of the Board of Directors and President of the District and another of its members as Vice Chairman of the Board of Directors and Vice President of the District. The Secretary and Treasurer, who may or may not be members of the Board, shall also be elected by the Board. The Secretary and Treasurer may be one person.

8.2.2 Election. The regular election of such officers shall be held biennially at the first regular meeting of the Board following the biennial election of the Directors in each such year. A special election to fill any vacancies in such offices may be held by the Directors at any regular or special meeting. Any officer elected to fill a vacancy shall serve until the next regular election of officers.

8.2.3 Officer Absence. In the event of absence or inability of any officer to act, the Board may delegate the powers or duties of such officer to any other officer, director or person whom it may select.

8.3 Seal, Clerical, Finance, and Powers.

8.3.1 Seal. The Board shall adopt a seal of the District to be used in all places and in such manner as seals generally used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and use.

8.3.2 District Records. The Secretary shall keep a record of all the proceedings of the Board, minutes of all meetings, certificates, contracts, bonds given

by employees and all corporate acts which shall be open to inspection during business hours by all residence or property owners in the District as well as to all other interested parties.

- 8.3.3 Banks. The monies of the District shall be deposited in the name of the District in such bank or banks or trust company or trust companies as the Board of Directors shall designate and as shall be authorized by law and may be drawn out only on checks signed in the name of the District by such person or persons as the Board by appropriate resolution shall direct.
- 8.3.4 Accounting. The Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. Capital accounts and operating and maintenance account shall be segregated according to the methods specified and defined by the Board or as otherwise specified by applicable laws of the State of Colorado, and budget and audit reports shall have separate schedules for the two types of accounts. Capital income shall include system development charges and fees, bond sale proceeds, debt service mill levies, other ad valorem taxes and government grants. Operations income shall include all other rates, fees and charges, operations mill levies, specific ownership taxes, interest and other ad valorem taxes and government grants. The Board shall apply for an exemption for audit or cause an audit or audits to be made of all financial affairs of the District at the end of each fiscal year in accordance with the “Colorado Local Government Audit Law” and shall make the required publication thereof.
- 8.3.5 Budget. The Board of Directors shall adopt an annual budget for the ensuing fiscal year before the first day of each fiscal year and shall cause a certified copy of such budget and adopted mill levies to be filed with the appropriate State and County officials as provided by law.
- 8.3.6 Powers. The Board shall have the following powers.
- a. To sue and be sued;
 - b. To enter into contracts and agreements;
 - c. To borrow money and incur indebtedness;
 - d. To acquire, dispose of and encumber real and personal property;
 - e. To manage, control and supervise all of the business and affairs of the District;
 - f. To appoint, hire and retain agents, employees, consultants and attorneys;
 - g. To fix and, from time to time, increase or decrease fees, rates, penalties or charge for water, sewer and other

services, programs or facilities furnished by the special District;

- h. To assess reasonable penalties for delinquency in the payment of rates, fees, tolls or charges or for any violations of the rules and regulations of the special District together with interest on delinquencies from any date due at not more than one percent per month or fraction thereof and to shut off or discontinue water and sewer service for such delinquencies and delinquencies in the payment of taxes or for any violation of the rules and regulations of the special District and to provide for the connection with and the disconnection from the facilities of such District;
- i. To acquire water rights and construct and operate facilities within and without the District;
- j. To fix and, from time to time, increase or decrease tap fees. The Board may pledge such revenue for the payment of any indebtedness of the special District;
- k. To levy and collect ad valorem taxes on and against all taxable property within the special District, which shall not be limited except as provided in Part 3 of Article 1 of Title 29, Colo. Rev. Statutes;
- l. To adopt, amend and enforce rules, regulations and bylaws not in conflict with the Constitution and the laws of this State for carrying on the business, objects and affairs of the Board and of the special District;
- m. To exercise any other powers that have been or may be granted to Metropolitan Districts by the State of Colorado.

8.3.7 Ad Valorem Tax. The Board of Directors shall, before December 10 of each year and in the manner required by law, certify to the Board of the County Commissioners of Pitkin County, Colorado, the rate of any ad valorem tax levy which the Board of Directors shall have fixed as the annual levy for the District.

8.4 Mill Levy; Rate Changes.

8.4.1 Mill Levy. The Board shall annually determine the need for both operating and debt mill levies and shall set the mill levy rate in accordance with the need to satisfy either or both. Mill levies shall be certified to the County each year and shall comply fully with all state laws.

8.4.2 Rate Changes. Prior to the drafting of the annual budget, the Board shall meet with its manager to confirm any rate, fee or levy changes. Such

changes shall, by resolution of the Board, be included in these rules, regulations and bylaws. The Board shall make all necessary budgetary adjustments in consideration of such fee changes.