

Rules and Regulations of Timbers Water and Sanitation District

RULES AND REGULATIONS
OF
TIMBERS WATER AND SANITATION DISTRICT
ROUTT COUNTY, COLORADO
(Adopted _____, 1987)

Table of Contents

SECTION 1 GENERAL REGULATIONS	4
1.1 Purposes.	4
1.2 Changes and Amendments.	4
1.3 Sewage System.	4
1.4 Water System.	4
1.5 Definitions.	4
1.6 Construction and Operation of Main Lines.	5
1.7. Construction and Operation of Service Lines.	6
1.8 Access.	6
1.9 Liability.	7
SECTION 2 EXTENSIONS OF DISTRICT FACILITIES; ANNEXATIONS.	7
2.1 Extensions of Mains.	7
2.2 Applications by Developer.	7
2.3 Costs of Construction.	8
2.4 Pre-Requisites of Approval.	8
2.5 District Final Authority.	9
2.6 Reimbursement Policy.	9
2.7 Extensions Outside District.	9
2.8 Annexation of Lands into District.	10
2.9 Conveyance of Water Rights, Annexations.	10
2.10 Fee in Lieu of Water Rights, Annexation.	10
2.11 Commitment Letter; Reimbursement of Expenses.	10
Section 3 SERVICE LINE AND TAP-ON POLICY.	11
3.1 Tap Permit.	11
3.2 Installation of Service Lines.	11
3.3 Inspection.	12
3.4 Backfill.	12
3.5 Prohibited Acts and Uses.	12
3.6 Disconnections.	13

Rules and Regulations of Timbers Water and Sanitation District

3.7 Change in Customer's Service 13

Section 4 RATES AND CHARGES 13

4.1 General 13

4.2 Tap Fees 13

4.3 Service Charges 14

4.4 Billing and Payment of Service Charges 14

4.5 Disconnection for Nonpayment of Charges 15

4.6 Cash Deposit 15

4.7 Discontinuance of Service; Turn-on Fee 15

4.8 Availability of Service Fees 16

4.9 Partial Payments 16

Section 5 CONTRACTORS 16

5.1 Competence 16

5.2 Insurance 16

Section 6 ATTORNEY'S FEES AND INTEREST; COLLECTION 16

6.1 Attorney's Fees 17

6.2 Interest 17

6.3 Collection 17

Section 7 LIEN AND FORECLOSURE 17

7.1 Lien and Foreclosure 17

EXHIBITS 19

Exhibit "A" – Schedule of Charges 19

Exhibit "B" – Notice to Owners & Occupants 20

Exhibit "C" – Statement of Lien 22

Exhibit "D" – Partial Release of Lien 24

Exhibit "E" – Release of Statement of Lien 25

Water and Sewer Service Commitment Letter (July 9, 1990) 26

RESOLUTION AMENDING RULES AND REGULATIONS – July 1990 29

RESOLUTION AMENDING RULES AND REGULATIONS – November 2012 32

SECTION 1 GENERAL REGULATIONS

1.1 Purposes. This text and the attached exhibits provide the rules, regulations and policies which shall govern the operations and functions of the Timbers Water and Sanitation District (the "District") and which are deemed necessary to promote the health safety and general welfare of the inhabitants and Customers of the District and for the convenient management, control and supervision of the business and assets of the District.

1.2 Changes and Amendments. All or any part of these rules and regulations may be changed or amended at any time by majority vote of the Board of Directors of the District acting at a regular or special meeting, without necessity of notice.

1.3 Sewage System. The District sewer system provides for collection and disposal of biodegradable wastes and water contaminated by biodegradable wastes from Customers of the District to treatment facilities of the District.

1.4 Water System. The District water system provides finished and potable water to Customers of the District from water supply sources of the District, after treatment in District Facilities.

1.5 Definitions.

a) Board shall mean the Board of Directors of the District.

b) Building shall mean a separate enclosed structure or improvement intended or used at any time for human occupancy, permanently or temporarily situated on land, and containing water and/or wastewater disposal fixtures connected or previously connected to District Facilities. A mobile home or camper shall be deemed to be a building if it is connected or was previously connected to District Facilities.

c) Customer shall mean the owner in fee simple of the land on which is situated the building which is connected or was previously connected to District Facilities, as shown by the Routt County real property title records. An agent of such Customer or a tenant of such building occupying all or part thereof with the consent of such Customer may request (with the written consent of the Customer) that billings of the District be made to and in the name of such agent or tenant, but in all events the Customer shall be liable to the District for payment of all assessments, fees, tolls, charges, expenses, reimbursements, costs, interest and other sums billed or charged under these Rules and Regulations by the District to such agent or tenant.

d) Developer shall mean a person or entity, or more than one person or entity having a common development purpose, which is the owner of a Development Parcel and who constructs and installs Water Mains and/or Sewer Mains as extensions of District Facilities pursuant to the procedures described in these Rules and Regulations. Subsidiaries, affiliates and related parties shall be deemed to be a single Developer.

(e) Development Parcel shall mean the entirety of contiguous land owned by a Developer, whether or not previously platted, and planned or to be planned for development a. residential, commercial, industrial, or recreational lands under a common scheme or plan. All lands included within one or more subdivision plats or replats recorded at or about the same time, and all lands included within a

Rules and Regulations of Timbers Water and Sanitation District

common or joint application for planning approval from the County of Routt, shall be deemed to be a single Development Parcel.

(f) District shall mean the the Timbers Water and Sanitation District, Colorado special district, situated in Routt County, Colorado.

(g) Engineer shall mean the individual or firm appointed by the Board to act as District Engineer, and such Engineer shall hold a current P.E. designation from the State of Colorado.

(h) Facilities or District Facilities shall mean the District's Water Mains, Sewer Mains, wells and infiltration galleries, water diversion and intake facilities, raw-water transport lines, fire hydrants, valves, water storage tanks and ponds water filtration or treatment plants, booster pumps, manholes, sewage lagoons and treatment facilities, sewage lift stations, electric and telephone lines connecting to other parts of District Facilities, and all other appurtenances owned by the District and necessary or desirable for, or used in, the operation of the District's water diversion, treatment and distribution system and sewage collection, disposal and treatment system.

(i) Manager shall mean the individual experienced in water and/or sanitation matters appointed by the Board to act as District Manager. In addition to the powers and responsibilities of the Manager as specified in these Rules and Regulations, the Manager shall also have such additional powers, duties and responsibilities as may be assigned or delegated to such Manger by the Board. The Manager may delegate duties and responsibilities to any employee of the District, with the prior written consent of the Board.

(1) Service Line shall mean a water line or sewer line providing service to only one building. A water Service Line includes the corporation stop, curb valve and associated copper piping from the tap on the District Water Main to and into the building. A sewer Service Line includes the sewer tap saddle, clean outs, any manholes on the Service Line, and associated PVC piping from the saddle on the District Sewer Main to and into the building.

(j) Sewer Main shall mean any sewer line owned by the District and providing average collection service to more than one building, and shall include any manhole and any average lift station connected to such Sewer Main.

(k) Water Main shall mean any water line owned by the District and providing finished water service to more than one building. And shall include any booster pump and any valve within or connected to such Water Main.

1.6 Construction and Operation of Main Lines.

(a) Any water line 4" or larger in diameter shall be deemed to be a Water Main, unless such line (i) provides water service to a single building only and (ii) is declared in writing by the District Manager or the Board to be a Service Line. Any sewer line 6" or larger in diameter shall be deemed to be a Sewer Main, unless such line (i) provides sewage collection service to a single building only, and (ii) is declared in writing by the Manager or the Board to be a Service Line. All fire hydrants are part of the District Facilities and any water line of 4" or more in diameter connecting to a fire hydrant shall be deemed to be a Water Main. Any other water line or sewer line may become a Water Main or Sewer Main if declared to be such in writing by the Board.

(b) All District Facilities shall be constructed and installed in accordance with specifications and procedures set forth in these Rules and Regulations and set forth from time to time by the Manager or Engineer.

(c) All District Facilities shall be installed and operated within public road rights-of-way or within easements, rights-of-way or lands conveyed or dedicated of record in perpetuity to the District or the County of Routt, and shall include reasonable rights of access for District employees and contractors to such Facilities.

(d) The District shall own all Water Mains and Sewer Mains through which the District provides services to its Customers.

(e) Except during construction and installation and except during a Developer's Warranty Period described in Section 2.4 below, the District shall be responsible for maintenance, repair and replacement of all Water Mains and Sewer Mains.

1.7. Construction and Operation of Service Lines.

(a) Any water or sewer line which is not a Water Main or Sewer Main shall be deemed to be a Service Line.

(b) All Service Lines shall be constructed and installed in accordance with specifications and procedures set forth in these Rules and Regulations and set forth from time to time by the Manager or Engineer. All water Services Linea shall include, corporation atop and curb valve supplied by the District but paid for by the Customer and which shall be installed on the Service Line at or near the property line. All water Service Lines for a water service tap installed after January 1, 1987, shall include a water filter of a specification set by the manager and installed in a location accessible to District employees. All water Service Lines shall be stubbed out to lot lines at the time of initial construction. Internal road cuts and fills may interfere with existing trunklines, so road designs within the Development Parcel shall require the approval of the District Engineer respecting no adverse affect on existing District trunklines and appurtenances.

(c) The District shall not own any Service Line. The fee simple owner of the land on which is situated the building served by a Service line, or the condominium or townhouse association with respect to any condominium or townhouse building served by a Service Line, shall conclusively be deemed to be the owner of such Service Line. The District has no responsibility or liability for defects in freezing, blockage, leaks, or breakage of Service Lines. All freezing, blockage, leakage, or breakage of a Service Line shall be promptly repaired by the Customer within 3 days of notification of such problem from the District. If not so repaired, the District or its contractor may repair such problem and bill the Customer for the cost thereof, which cost shall be a personal obligation of such Customer and a shall be a lien against the property being served as provided by Section 7.1 herein until paid.

(d) Connection of more than one physical water Service Line or one physical sewer Service Line to a single building must be approved in advance by the Board. Additional tap fee and service charges shall be made for additional physical taps on the same building.

1.8 Access. The Manager and the Engineer and other duly authorized employees of the District shall have an irrevocable license of access to and into all properties, buildings and structures of

R JUL90

Customers of the District for the purposes of inspection, testing, repairing, and replacing any water lines, sewer lines, and parts or appurtenances of District Facilities; to install, repair, and read water meters; and to sample or measure water supplied and sewage or wastes being disposed.

1.9 Liability.

The District, the Board, the District's Manager and employees and agents are protected by the Colorado Governmental Immunity Act Revised Statutes U24-10-101 et seq, or subsequent revision thereof. No claim for damage shall be made against the District, the Board, or the District's Manager, employees or agents, by reason of any of the following:

Breakage of any Service Line or Mains by a District employee or contractor; failure or curtailment of the water supply; curtailing or energizing water mains; making taps or constructing extensions: water running or leaking from open or defective faucets or fireplugs; burst Service Lines or Main Lines; breakage or leakage from water tanks or reservoirs; injury to water heaters, boilers or other appliances due to turning off or turning on water service, by improper or sporadic water pressure, or by minerals in the water; or any or omission done with respect to the Facilities of the District deemed necessary or curtail the water supply at any time, for any reason deemed necessary and appropriate by the Board or the Manager.

SECTION 2 EXTENSIONS OF DISTRICT FACILITIES; ANNEXATIONS.

2.1 Extensions of Mains. Water Mains and Sewer Mains extended to District Facilities shall be constructed only by or with the prior approval of the Board. The Board may in its sole discretion require that any extensions of District Mains or expansion of District Facilities be constructed and installed by the Developer requesting such extension or expansion.

2.2 Applications by Developer. Any request and proposal by a Developer for extension of District Mains shall be in the form of an Application and Agreement on forms supplied by the District, which shall be executed by the owner in fee simple of the Development Parcel. Such Application shall be delivered to the District at least 60 days prior to start of construction and shall be accompanied by complete final plans and specifications for the water and sewer improvement aspects of development on the Development Parcel, which shall be submitted for review by the District's Engineer. Such plans and specifications shall include a complete and adequate maintenance guide for each storage tank, pump, pumping station, specialty valve, lift station, and other specialty appurtenances (hereinafter called "Specialty Appurtenances) within the planned water and sewage disposal system for development on the Development Parcel which the Developer will be requesting for the District to accept and maintain. The Application shall describe the Development Parcel, the description and location of the improvements to be served by the proposed extension, the proposed construction schedule, provide financial information bearing on the ability of the Developer to complete the extension, and shall also include any other information deemed necessary by the Board. The construction plans and specifications shall conform to all design and construction requirements of the District and the Engineer, unless specifically waived in writing by the Manager. The District may require larger line sizes of proposed Mains, in order to conform the proposed extension to the master service plans of the District. The Manager may require a presentation to the Board at a regular or special meeting by the Developer requesting the extension. After reviewing the application and all relevant attachments and evidence, and any recommendation of the District Engineer, the Board shall approve or disapprove such application, or approve with imposition of any conditions it deems appropriate. The Board may require the Developer to grant and convey to the

R JUL90

District certain water and water rights as a condition of approval of extension of Mains, without consideration or upon such terms and conditions as the Board deems appropriate.

2.3 Costs of Construction. All costs and expense of designing, engineering, constructing and testing extensions of District Mains requested by a Developer shall be paid for by the Developer, and the District shall have no liability for any such cost or expense, except only that if the District shall require larger line sizing of the extension of Mains due solely to the .master planning of the District for provision of service through such extension to other property beyond the Development Parcel, then the incremental cost of pipe for the larger size required by the District, compared to the size of Mains deemed adequate for the Development Parcel, shall be paid by the District. The Developer shall also reimburse the District for its costs (i) incurred in reviewing and approving design and construction drawings of such extension, and (ii) to the District Engineer to update the District's Master Utility Map and Master As-Builts to reflect completed Main extensions, Construction shall not commence until the Developer has supplied to the District a performance bond covering 100% of the maximum contract cost of construction of such extension, unless waived in whole or in part by the Board.

2.4 Pre-Requisites of Approval. Service of finished water to, and collection and disposal of average flow, a Development Parcel of I Developer who has constructed an extension to District Mains shall not be made by the District until the Developer has complied with each of the following pre-requisites:

(a) The Developer has granted and conveyed to the District unencumbered title to the extension to the Mains constructed by the Developer, and has also conveyed or dedicated to the District unencumbered perpetual easements necessary for the existence, repair, maintenance and replacement of such extension and for reasonable access thereto. All such easements shall be 20 feet wide unless otherwise agreed by the Manager.

(b) The extension to the District Mains passes preliminary tests established by the Engineer regarding:

(1) Water Main infiltration, exfiltration, adverse alignment and proper manhole inverts; Sewer Main infiltration, adverse alignment and proper manhole construction; and

(2) All valves, hydrants, Specialty Appurtenances, and other appurtenances in sound working order. The Developer shall I advise the District Engineer and the Board of the availability of the water and sewer lines and appurtenances and Specialty Appurtenances for such inspection and testing, and shall coordinate a mutually convenient time for such inspection and testing to take place. The Developer shall reimburse the District for all costs and expense of the District and the District's Engineer in the inspection and testing of such lines and appurtenances.

(c) The Developer has provided a set of reproduceable as-built drawings at inch/IOO scale to the District, showing the finished location of all Main Lines and Service Lines and appurtenances and Specialty Appurtenances , along with tie sheets showing three measurements to all valve boxes, manholes, curb boxes, and clean-outs and Specialty Appurtenances, and further showing that each parcel, subdivision lot, structure, or residence to be served has either direct access to or required easements necessary to be served by such extended Mains and District Facilities.

(d) The Developer has complied with any other requirements deemed necessary and reasonable by the Board. Upon compliance with each of the above, the District shall issue its preliminary

acceptance certificate to the Developer. The Developer shall warrant to the District that the extension of Mains has been constructed in accordance with District requirements and in a good workmanlike manner. For a period of at least one year after issuance of the preliminary acceptance certificate and until final acceptance in writing by Board resolution, (the "Warranty Period"), the Developer shall be responsible and liable to repair, correct or replace all defects or deficiencies in the main extension or adjacent construction, including (but not limited to) repair of all line breakage, stoppage or improper backfill and compaction. If at least a year after issuance of the preliminary acceptance certificate, the extended Main Lines and appurtenances are in sound condition, tested, and no adverse conditions exist, as determined by the District Engineer or District Manager, then the Board shall issue its final acceptance certificate to the Developer. Thereafter, the District shall be responsible for all repairs, maintenance and replacement of such extended Mains, except that the District shall never be liable for consequential damages to persons or property caused by breakage or blockage of lines or by settling of backfill.

2.5 District Final Authority. The Board shall make the final determination of the proper Size of all Mains and Service Lines and extensions thereto within the District.

2.6 Reimbursement Policy. If existing Water Mains and/or Sewer Mains of the District are not within or adjacent to the Development Parcel at the time of the application by the Developer for extension of District Mains, then the actual cost of materials, labor and machine-time (but not design, engineering, surveying, overhead, or profit) incurred and certified to by the Developer for that portion of the extension from existing District Mains to the boundary of the Development Parcel may be reimbursed by the District to the Developer.

Reimbursement shall be solely (i) from 50% of each tap-on fee for the applicable service paid for buildings connecting to such extension and buildings connecting to Mains extended by the Developer within the Development Parcel, and (ii) from a portion of 50% of each tap-on fee for the applicable service paid for buildings connecting to further Main extensions thereafter constructed by other Developers. All reimbursements to a Developer shall terminate with respect to an extension 8 years after issuance of the preliminary acceptance certificate by the District for such extension. Such right of reimbursement personal to the Developer unless assigned in a writing given to the District, and shall not be deemed to run with the Development Parcel. Reimbursements from tap fees collected during each year shall be paid annually. For purposes of this Paragraph 2.6, "adjacent" shall mean within 100 feet of the boundary of the Development Parcel. If an existing Water Main or Sewer Main, at the point of a proposed extension by the Developer, was constructed by the District at its expense or was constructed by a Developer prior to January 1, 1987, or by a Developer who no longer has any right of reimbursement, then all of the 50% of each tap-on fee for such service paid for buildings connecting to such extension and buildings connecting to Mains extended by the Developer within the Development Parcel shall be paid over annually to the Developer, subject to the 8-year limitation specified in the preceding paragraph. If, however, an existing Water Main or Sewer Main, at the point of a proposed extension by the Developer, was constructed by a previous Developer with a currently effective right of reimbursement, then only a pro-rata portion of the 50% of each tap-on fee for such service paid for buildings connecting to the latest Developer's extension and buildings connecting to Mains extended by such Developer within the Development Parcel shall be reimbursed to such latest Developers in proportion to the length of Main extensions installed by each Developer which qualify for reimbursement.

2.7 Extensions Outside District. No Sewer Main or Water Main or any Service Line connected to District Mains or Facilities shall be extended or exist outside of the District boundaries

except with the prior written resolution of consent by the Board. Any such consent by the Board shall be deemed a revocable permit from the District, and such service shall at all times be consistent and in compliance with all rules and regulations of the District.

The terms, conditions, duration, charges and fees for furnishing sewer and water service outside of the District shall be set by the Board in its sole discretion. The District reserves the right to terminate and discontinue water and/or average disposal service to a building outside of the boundaries of the District for any reason, after written notice to the owner of the land on which such building is situated of the Board's intent to discontinue any such service, provided that opportunity shall first be given at a regular or special meeting of the Board for the owner and occupants of such building to be heard and present argument and evidence.

2.8 Annexation of Lands into District. The District may annex and include any lands into the District from time to time on such terms and conditions as the Board deems reasonable. The Board may, in its sole discretion, terminate and discontinue water and/or sewage disposal service to a building outside of the boundaries of the District where the Board has made demand upon the Customer owning such building to annex and include the lands under and appurtenant to such building into the District and such Customer has failed or refused to do so, subject to the notice and hearing requirements of Section 2.6 above.

2.9 Conveyance of Water Rights, Annexations. The Board will require that the owner of any real property sought to be included or annexed within the District shall, as a condition precedent to such annexation and inclusion, convey and transfer to the District all water and water rights which are appurtenant to the real property to be annexed and included, or convey and transfer other equivalent water rights. Water rights shall be deemed to include direct flow rights and wells and well rights.

2.10 Fee in Lieu of Water Rights, Annexation. Where any real property is proposed to be included or annexed within the District and the owner or owners of such real property do not own any water or water rights appurtenant to such real property, then the Board may require, as a condition precedent to such annexation and inclusion, that the owner or owners of the property sought to be annexed and included pay to the District a fee in lieu of conveyance of water rights, such fee to be determined by the Board on any reasonable basis. Such determination may be based upon the fair market value of a sufficient and reasonable quantity of firm-yield water rights which would, after being adjudicated for year-around municipal use at a reasonable point of diversion, be sufficient if owned by the District to supply the maximum density of commercial/industrial/residential development on the property sought to be annexed and included with municipal water for consumptive use for at least a 100-year period.

R JUL90 **2.11 Commitment Letter; Reimbursement of Expenses.** At the request of the Developer for a Development Parcel within the District, the District may provide a Commitment Letter in form and content acceptable to the Board and consistent with these Rules and Regulations, committing for service of potable water and/or sanitary sewer collection and treatment. The attorney's fees and engineer's fees for preparation of such letter shall be reimbursed to the District by the Developer. Developer shall further be required to reimburse the District for all fees of the District's attorney and Engineer incurred by the District in connection with research and preparation of any deeds required under Subsection 2.4 (a) and in connection with the valuations reviews, and approvals of plans required by these Rules and Regulations and testing of as-built facilities constructed by the Developer.

Section 3 SERVICE LINE AND TAP-ON POLICY.

3.1 Tap Permit. No connection to District Mains shall be made prior to obtaining a tap permit and paying the required tap fees as set out in Exhibit "A" hereto. Application for the tap permit, containing such information as may be required by the Board, shall be made to the District on a form approved by the Board, and shall be accompanied by the required tap fee unless previously paid. Such application shall be reviewed and approved or disapproved by the Manager. Any disapproval by the Manager may be appealed by the applicant to the Board at a regular or special meeting called for such purpose at which the Customer shall have the right and opportunity to present evidence in support of the application. Except in unusual or extraordinary circumstances and for good cause shown, each building connecting to a Water Main shall also connect to a sewer main, and vice versa.

3.2 Installation of Service Lines. Sewer and water Service Lines shall be installed by a contractor approved by the Board or Manager, and all actual connections of installed Service Lines to Main Lines shall be performed in the physical presence of the Manager, unless specifically waived by such Manager. The Service Line installation is the responsibility of the Customer, who shall pay for the construction and repair thereof, and the customer shall be responsible at all times for the repair and maintenance of such Service Line. The Board or Manager may require a bond or certificate of insurance from any Contractor doing Service Line construction and tap-on work within the District, extending for a six (6) month period following completion of such work. To assure that no damage has been done to District Mains or Facilities and to protect the District from any potential liability. All Service Lines shall meet the following construction criteria and such other written construction specifications as are set forth in writing from time to time by the Manager:

(a) Water Service Lines shall be type K soft copper tubing with flared joints. No lead pipe shall be permitted. A curb stop at the property line and a corporation stop at the main shall be provided. Where required by the District Manager, a PRV valve shall be installed in the Service Line. A water meter of a type approved by the Manager shall be installed on the Water Service Line for new construction within the District after January 1, 1987, at a location which can be easily reached by District personnel. All Service Lines shall be installed at a minimum depth of seven (7) feet of cover. Single family residential water Service Lines shall be 3/4", and other water Service Lines shall be of such size as may be specified by the Manager. Any cross-connection between the District's finished water service and any other water supply or any hot water or solar heating system shall comply with regulations of the Colorado State Health Department and shall include installation in the water Service Line of a backflow prevention device of a type and size approved by the State Health Department.

(b) Sewer Service Lines shall be constructed of polyvinyl chloride pipe (PVC-Plastic) which meets the requirements of ASTM 53034-072, SDR-35 PVC. Provisions must be made for contraction and expansion at each joint, with a rubber ring, and integral thickened bell as part of each joint. The grade of the line and depth of cover shall be reviewed and set on an individual basis by the Manager or Engineer. All restaurant facilities shall have a grease trap on Sewer Service Lines. A sewer wye clean out shall be installed adjacent to and just outside the building wall, and an additional clean out shall be installed every 100 feet along the Sewer Service Line. The Customer shall install and maintain so his cost a suitable lift pump and "force main" where the District Main is so situated that the Sewer Service Line to the Customer's building cannot be installed to permit collection of sewage from such building by gravity flow.

3.3 Inspection. All installed Service Lines shall be inspected by the Manager or Engineer prior to connection to District Mains or backfill over such Service Lines. Sewer Service Lines shall be tested for leakage (exfiltration and infiltration) prior to tap on to District Mains. Water Service Lines shall be tested for leakage after tap on to District Mains.

3.4 Backfill. After inspection by the Manager or Engineer, the Customer's Contractor shall backfill the entire Service Line. Such backfill shall be properly compacted to standards of Routt County and the District and so that no Main or Service Line will be broken or moved by settlement. All cuts and trenches shall meet State and OSHA requirements. All cut paving shall be properly patched and replaced. All bedding shall be in compliance with the requirements of the District's Manager or Engineer. All compaction and backfill shall meet District, Routt County, and Colorado requirements, where applicable. After inspection and approval of installed Service Lines and connections to Main Lines, and approval of backfill and pavement patch, by the District's Manager or Engineer, the Manager shall authorize water and sewage disposal services be provided to such customer by the District. If, however, upon such inspection the Manager or Engineer shall require the Customer's Contractor to perform further work, then the Customer or his Contractor shall, at the cost of the Customer, complete such further work to the reasonable satisfaction of the District's Manager or Engineer before any water or sewage disposal services shall be provided by the District to the Customer's building, but if the Customer shall fail to do so within a reasonable period of time, then the Board may authorize the Manager to complete such further work in compliance with this Section 3 and the cost and expense thereof shall be a charge to the Customer and a lien upon the Customer's land and building pursuant to Section 7.1 herein.

3.5 Prohibited Acts and Uses. The following activities, conduct or uses of Service Lines or District Facilities or of buildings and uses connected thereto are prohibited, except with the express prior resolution of approval by the Board:

(a) Water Service: Any connection of a water Service Line to any other water source unless an adequate back-flow prevention device has been installed with the approval of the Manager; running water on a continuous basis to prevent freezing lines or for cooling purposes; willful and continuous waste of water by improper or leaking pipes or connections, fixtures or otherwise, whether because of leaks or breaks or otherwise, irrespective of fault; and use of District water by any other building or structure outside of the Customer's building for which billing is made by the District.

(b) Sewer Service: Introduction into the District's sewer Facilities of any hazardous wastes as defined in Federal hazardous waste legislation or any unauthorized waste described in any Board resolution; directing ground water into the District Sewer Mains, by storm drain or sump or otherwise, but garage floor drains may be permitted upon approval of the Manager; and directing snowmelt or storm runoff from roofs into District Sewer Mains

(c) General: Misrepresentation in an application for service made pursuant to Section 3.1 above; connecting or disconnecting service lines to or from District Mains without the prior consent of the Manager; intentional or negligently interfering with or damaging any part of the Facilities of the District; tampering with any curb stop or box or shutting off water service at any curb stop or box without the express permission of the Manager; and any violation of these Rules and Regulations. The District may recover from any Customer or person who engages in or permits any of the above prohibited acts or uses all damages and expenses suffered and incurred by the District as a consequence thereof, together with reasonable attorney's fees and costs incurred in connection with

the District response to such prohibited acts or uses and any suit for recovery of damages and expenses. In addition, the District may obtain temporary restraining orders and injunctive relief to prohibit any of the foregoing prohibited acts or uses and shall be entitled in any such equitable proceeding to recover its reasonable attorney's fees and costs. All of such damages, expenses, costs and fees shall be a lien on the property of the Customer pursuant to Section 7.1 herein.

3.6 Disconnections. Whenever any Customer, or any occupant of the building of a Customer, has engaged in or permitted any prohibited activity or use described in Section 3.5 above, then the District may discontinue and disconnect water service to the property served without necessity of any prior notice to the Customer or occupant of the property, but the District shall provide written notice of such discontinuance and disconnection and a summary of the grounds therefor to the Customer by certified mail deposited in the U.S. Mails within 72 hours after such discontinuance and disconnection and, in addition, the Manager shall post a copy of such written notice of such discontinuance and disconnection and a summary of the grounds therefor in a conspicuous place on the building whose service was discontinued within 72 hours after such disconnection. No disconnection of Service Lines from District Mains shall be made without authorization from the Board and except under the supervision of the District's Manager.

3.7 Change in Customer's Service. No change in a Customer's service shall be made without the prior approval of the Board. Any change in service which increases the service provided by the District shall require a redetermination by the Board of the tap fee and service charges rates payable by such Customer. The redetermined tap fee shall credit previously paid or waived tap fees. Any change that results in a decrease in the service provided by the District shall not result in a reduction or refund of tap fees or service charges previously paid.

Section 4 RATES AND CHARGES.

4.1 General. The District shall detail its rates, charges, and fees levied and assessed by the District to its Customers for the provision of water and sewage disposal services. Rates and charges established herein shall be effective from and after adoption of these Rules and Regulations, and shall remain effective until modified or amended by the Board pursuant to Section 1.2 herein, and nothing herein shall be construed as limiting the power and authority of the Board to change such rates, charges, fees and assessments.

4.2 Tap Fees. Tap Fees in the nature of "plant investment" or "privilege to serve" fees shall be paid to the District by a Customer prior to provision of water or sewer service to a building of the Customer situated within the boundaries of the District. A water tap fee shall be separately assessed for water service, and a sewer tap fee shall be separately assessed for sewer service. The amounts of the water tap fee and sewer tap fee are set forth on Exhibit "A" hereto. Payment of tap fees shall be the responsibility and liability of the Customer of the property to be served. A tap fee shall be due and payable at the time of application by the Customer to the District for a tap permit pursuant to Section 3.1 above or at the time the Customer or his contractor obtains a building permit from Routt County for construction of building improvements on the Customer's property, whichever first occurs. If a building is altered, modified, added to, or has a change of use, the Board may assess the Customer a supplemental addition to tap fees. When a proposed building is not of a classification specified in Exhibit "A," then the Board shall in its sole discretion establish reasonable tap fees and

service charge rates for such building by resolution at a regular meeting of the Board. The District acknowledges that buildings in existence within the boundaries of the District as of January 1, 1987, have paid required tap fees prior to passage of these Rules and Regulations. For any Customer whose building is situated outside of the boundaries of the District and is connected to the water service and/or sewage disposal service of the District, the tap fee for such water service and the tap fee for such sewage disposal service shall in each instance be equal to 200% of the in-District tap fee rates specified in Exhibit "A" or determined by the Board for a like-kind building within the District boundaries.

4.3 Service Charges. Periodic service charges for water service and for sewage disposal service, in the amounts as set forth in Exhibit "A" hereto, shall be charged and assessed by the District to each Customer for each building or dwelling unit of such Customer within the boundaries of the District which has been connected to water and/or sewer Main Lines. Such charges shall commence immediately upon the initial connection of a Service Line from such building or dwelling unit to a District Main. All water and sewer service charges to a building shall continue without abatement for so long as such building is habitable, and service charges shall not be terminated or reduced during any period of non-occupancy. For condominium buildings, the Customer shall be deemed to be the Condominium Owners' Association. A change in use or an alteration, modification or addition to a building may increase the service charge rates to such building as determined by the Board. For purposes of this Section 4 and of Exhibit "A," 'a single family dwelling unit equivalent' shall be deemed to mean any building, or any separate or separable part of any building, or any separately described condominium unit or townhouse unit, designed and intended for human occupancy by a single-family of related persons, and which includes a kitchen area containing a stove, a sink, and a refrigerator, and may include a lawn area not to exceed 2500 square feet and which does not include any interior or exterior swimming pool or lap pool. If any building designed for occupancy by a single-family unit has an appurtenant lawn area in excess of 2500 square feet, or if any building designed for occupancy by a single-family unit has appurtenant interior or exterior swimming pool or lap pool, then such building shall be charged twice the single-family dwelling unit equivalent service charge rate of the District, but there shall be no increase of the tap-on fees of the District to such building. If any building designed for occupancy by a single-family unit includes both an appurtenant lawn area in excess of 2500 square feet and an interior or exterior swimming pool or lap pool, then such building shall be charged three times the single-family dwelling unit equivalent service charge rate of the District, but there shall be no increase of the tap-on fees of the District to such building. A duplex is deemed to be two single-family dwelling unit equivalents, and billings of the District to a duplex shall be made to the owner of the entire building, rather than to the occupant of each unit.

For any Customer whose building or single-family dwelling unit equivalent is situated outside of the boundaries of the District and is connected to the water service and/or sewage disposal service of the District, the periodic service charges for such water service and the monthly service charges for such sewage disposal service shall in each instance be equal to 200% of the in-District periodic service charges rates specified in Exhibit "A" or determined by the Board for a like-kind building within the District boundaries.

4.4 Billing and Payment of Service Charges. The Board shall establish all service charges, including availability of service fees, by the end of December of the year before the year for which the charges apply. The Board may bill for service charges annually, semi-annually, or quarterly and shall elect the schedule for billing at the time it establishes the charges. Billings may be delivered by ordinary or electronic mail as the Board determines. Service charges, including

R JUL90

R NOV 12

availability of service fees, shall be due and payable in full on or before the end of the month after the billing is sent to Customers. For individual condominium units only, billings shall be made to the Condominium Owners Association which acts a managing agent for all condominium unit owners.

4.5 Disconnection for Nonpayment of Charges. Whenever any fee, rate, assessment, sum, charge, penalties or interest of the District assessed or charged to or against any Customer for a building, whether for water or sewer service or both, shall be delinquent for more than 3 months after the billing therefor, then the President or Manager of the District shall mail by certified mail to the Customer, and an officer, director, Manager, agent or employee of the District shall post or cause to be posted on a conspicuous place on the building of such Customer to which such service was made, a notice from the District in the form attached to these Rules and Regulations as Exhibit "B" and stating (a) the amounts billed but unpaid to the District, (b) the intent of the District to terminate and discontinue water service and/or sewer service to the real property of the Customer and all of the buildings thereon, and (c) directing that the Customer shall appear at the next regular or special meeting of the Board (specifying the time and place of such meeting) to show cause why water service and/or sewer service should not be terminated to such real property and all buildings thereon. Such notice shall be so mailed and posted at least 7 days prior to the meeting date referred to in such notice. At such meeting, such Customer and any other interested person may present evidence and argument and may cross-examine witnesses. The Board shall then determine at such meeting whether or not to terminate water service and/or Sewer service to such real property and all buildings thereon and shall set a date and time certain for the termination of such water service, and/or sewer service, and at or after such date and time, the District may cause water service and/or sewer service to be terminated and discontinued to such real property and all buildings thereon without further notice, unless all unpaid sums due to the District from the Customer are paid in full at or prior to such termination. Failure of the Customer or any person having any interest in the real property or buildings to appear at such meeting shall conclusively be deemed a waiver by such person or entity of any rights to a hearing and a consent to termination and discontinuance of water service and/or sewer service without further notice.

4.6 Cash Deposit. The District may, in its discretion, require any Customer to provide the District with a cash deposit to assure timely payment of charges, rates, tolls, assessments, fees and interest as the same accrue, not to exceed two quarters of service charges for both sewer and water service.

4.7 Discontinuance of Service; Turn-on Fee. Once water and sewer service has been provided to a building of a Customer, the Customer shall have no right to require the District to discontinue service nor to terminate billing and collection by the District of water and sewer service fees. Vacancy of all or any part of a building shall not cause the District to discontinue service or billing and collection of service fees. If water and/or sewer service is discontinued by the District pursuant to Section 3.6 or 4.5 above, the Customer will nevertheless be liable for customary monthly sewer and water service fees during the period of discontinuance and a turn-on fee of \$100.00 shall be collected from the Customer (together with all past-due service fees, tolls, rates, charges, fees and interest) before re-establishment of service. The Manager, acting at the direction of the Board, shall have sole power and authority to turn on services and no Customer or agent of a Customer shall turn on services which have been discontinued by the District. Customers having commercial or retail uses shall keep a storage tank on the premises of a sufficient size to provide necessary water to such premises in the event the water service of the District is curtailed or discontinued for up to 24 hours.

4.8 Availability of Service Fees. At any time after adoption of these Rules and Regulations and upon resolution passed by the Board, the District may charge "availability-of-service" fees to each unimproved lot or parcel within the District on which no building structure has been constructed and no initial connection with District Main Lines has been made, provided that a District Water Main and, if required by that lot or parcel, Sewer Main are installed within 100 feet of the boundary of each unimproved lot so assessed. If so assessed, such "availability-of-service" fees shall be charged and assessed to and against the fee simple owner of record of each such lot or parcel, shall be made for the services to be provided to such lot or parcel when developed, shall be in the amount of 50% of the periodic fees for the services to be provided to such lot or parcel when developed established by the Board and set forth on Exhibit "A" hereto, as may be amended from time to time, and shall be billed in the same manner as service charges are billed by the District. Such fees shall be due and payable on or before the last day of the first month after such fees are billed. Availability-of-service fees shall be assessed solely for the purpose of paying principal of and interest on outstanding bonded indebtedness of the District and shall not be used to pay any operation or maintenance expenses of, not capital improvements within or for, the District. Prior to adoption by the Board of a resolution assessing availability-of-service fees within the District, a Notice stating that such availability-of-service fees are being considered, and stating the date, time, and place of the Board meeting at which such resolution is to be considered, shall first be mailed by first-class U.S mail, postage prepaid, to each taxpaying elector of the District at his last known address, as disclosed by the tax records of Routt County.

4.9 Partial Payments. Partial payments received from a Customer shall be applied to accrued attorney's fees and costs, then to accrued interest, then to unpaid tap fees, and then to unpaid service charges or availability-of-service charges in the chronological order such charges were assessed.

Section 5 CONTRACTORS

5.1 Competence. Each contractor selected by the Board to perform any services or acts on behalf of the District, and each contractor permitted by the Board to make taps to District Mains, shall be a competent contractor in the area in which such services are required. The Board shall make a final and binding determination of such competency based upon all information available to the Board.

5.2 Insurance. Each and every contractor employed by the District shall have and maintain public liability insurance with limits of not less than \$500,000.00 per occurrence and otherwise adequate to protect the District from potential liability which may arise as the result of the work of such contractor, and shall provide a certificate of insurance to the District as evidence of such fact before commencement of work. In addition, every contractor employed by the District for additions, replacements, extensions, and expansions of District Facilities shall provide to the District a good and sufficient performance bond, with adequate corporate surety, to provide coverage in the event that the work performed on the behalf of the District is defective, substandard or must be replaced.

Section 6 ATTORNEY'S FEES AND INTEREST; COLLECTION.

6.1 Attorney's Fees. In the event that attorney's fees are incurred by the District as a result of the violation by any Customer, or by any person claiming by, under or through any customer, of any provision of these Rules and Regulations, or if the District shall incur any attorney's fees or costs of suit in the collection of any rate, toll, charge, fee, assessment, sum, or interest charged or assessed to or against a Customer but not paid when due, then such Customer shall be liable to the District for the amounts due, and shall fully reimburse the District for all such attorney's fees and costs and expenses of suit incurred by the District in connection therewith.

6.2 Interest. If any rate, toll, charge, fee, assessment, or other sum charged or billed by the District under these Rules and Regulations is not paid when the same is due as provided herein, then such rate, toll, charge, fee, assessment, or other sum shall bear interest after the due date at the rate of one percent (1%) per month until paid in full.

6.3 Collection. The District shall have all remedies at law and in equity or provided by Colorado law for the collection of any rate, toll, charge, fee, assessment, sum, or interest charged or assessed to or against a Customer, including (but not limiting the plenary nature of these remedies) the power and authority to sue a Customer in any court having jurisdiction, to foreclose the lien described in Section 7.1 below, and to discontinue and terminate water service and/or sewer service to the buildings of the Customer.

Section 7 LIEN AND FORECLOSURE.

7.1 Lien and Foreclosure. All unpaid assessments, fees, toll, charges, expenses, reimbursements, costs, interest and other sums of any kind assessed, billed or charged under the terms of these Rules and Regulations, and reasonable attorney's fees and costs of suit incurred in connection with enforcement of these Rules and Regulations or in connection with collection of any such sums or charges (whether or not suit is brought), shall constitute a lien on the real property and buildings of the owner, person or Customer so assessed, billed or charged and in favor of the District, and such lien shall be prior to all other liens and encumbrances on or encumbering such real property and buildings, except for the statutory lien for real property taxes and special assessments. The District's lien shall attach from and after the date of billing for such assessments, fees, tolls, charges, expenses, reimbursements, costs, interest and other sums and may be foreclosed by the District in like manner as a mechanic's lien under Colorado law after the recording of a statement of such lien in the form attached hereto as Exhibit "C," describing and encumbering the real property and buildings of the delinquent owner, person or Customer, executed by the President or Manager of the District on behalf of the Board, and setting forth in such statement the amount of the unpaid sums, the name of the owner of the real property and buildings subject to such lien, a legal description of the real property as encumbered by such lien, and a statement that such lien extends to reasonable attorney's fees and costs of suit incurred in enforcing the same.

In any such foreclosure the owner of the real property subject to the lien shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees and costs of suit. The lien of the District may be released by use of the forms attached hereto as Exhibits "D" and "E."


Rules and Regulations of Timbers Water and Sanitation District

APPROVED, ADOPTED AND EXECUTED at a meeting of the Board of Directors of the District
on this ____ day of _____, 1987.

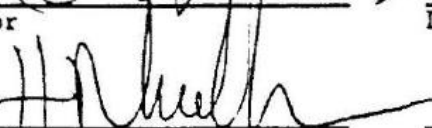
TIMBERS WATER AND SANITATION DISTRICT,
a Colorado Special District



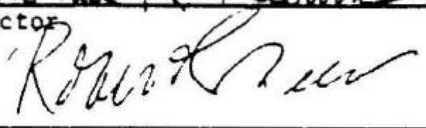
Director



Director



Director



Director



Director

EXHIBITS

Exhibit "A" – Schedule of Charges

EXHIBIT "A"

**TIMBERS WATER AND SANITATION DISTRICT
SCHEDULE OF
WATER AND SEWER TAP FEES AND SERVICE CHARGES**

	Water Tap Fee	Sewer Tap Fee	Water Service Charge Per Month	Sewer Service Charge Per Month
Single-Family Dwelling Unit Equivalent (In District)	\$1,500.00	\$1,500.00	\$0.00	\$0.00
Single-Family Dwelling Unit Equivalent (Out of District)	\$3,000.00	\$3,000.00	\$0.00	\$0.00

All other tap fees and service charges shall be set in each specific instance by resolution of the Board.

Exhibit "B" – Notice to Owners & Occupants

EXHIBIT "B"

NOTICE TO OWNERS AND OCCUPANTS

TO: OWNERS AND OCCUPANTS OF THE FOLLOWING-DESCRIBED PROPERTY
IN ROUTT COUNTY, COLORADO:

FROM: TIMBERS WATER AND SANITATION DISTRICT (the "District")

RE: WATER AND SEWER DISCONNECTION AND TERMINATION

You and each of you are hereby notified that the following sums, rates, fees, tolls, charges and interest of the Timbers Water and Sanitation District (the "District") assessed against one or more buildings situated or formerly situated on the above-described real property, for water or sewer service or both, or for the availability of water or sewer service or both, are past due and unpaid:

<u>NO.</u>	<u>DESCRIPTION OF UNPAID FEES AND CHARGES</u>	<u>ACCRUED INTEREST</u>	<u>ATTORNEY'S FEES</u>	<u>TOTAL DUE</u>
------------	---	-----------------------------	----------------------------	----------------------

Rules and Regulations of Timbers Water and Sanitation District

You and each of you are hereby further notified that, pursuant to the Rules and Regulations of the District, such District intends to disconnect, discontinue and terminate water service and sewer service to all buildings situated on the property above-described, and you and each of you are directed to appear at the next regular meeting of the Board of Directors of such District to be held at _____ o'clock __.M., on _____, the _____ day of _____, 198__, at _____

_____ to show cause why water service and sewer service to all buildings on such real property should not be disconnected, discontinued and terminated. At such meeting, you may present evidence and argument and may cross-examine witnesses. The Board of Directors of such District shall determine at such meeting whether or not to terminate water service and sewer service to all buildings on such real property and shall set a date and time certain for the disconnection, discontinuance and termination of such water service and sewer service, and at or after such date and time, the District may cause water service and sewer service to be disconnected, discontinued and terminated to all buildings on such real property without further notice, unless all then unpaid sums, rates, fees, tolls, charges and interest due to the District are paid in full at or prior to such date and time certain.

Your failure to appear at such next regular meeting of the Board of Directors shall conclusively be deemed a waiver of any rights you may have to a hearing and shall be deemed a consent by you to disconnection, discontinuance and termination of water service and sewer service to all buildings on the above-described property without further notice.

Termination and discontinuance of water service or sewer service does not terminate or reduce the continuing obligation of the owner of the above-described real property to pay regular service charges of the District, and regular service charges of the District will continue to accrue to and against such property after termination.

If water service or sewer service is so terminated to such any or all buildings on such real property, water service and sewer service will not be resumed nor be permitted to resume until the owner or owner's agent has paid in cash to the District (a) a turn-on fee of \$100.00, plus (b) all sums, rates, fees, tolls, charges and interest of the District accrued through date of resumption of water service or sewer service.

EXECUTED this _____ day of _____, 198__.

TIMBERS WATER AND SANITATION DISTRICT

Exhibit "C" – Statement of Lien

STATEMENT OF LIEN
UNDER C.R.S. §32-1-1001(1)(j)

TO ALL WHOM IT MAY CONCERN:

KNOW YE, that TIMBERS WATER AND SANITATION DISTRICT, a Colorado special district organized pursuant to Article 1 of Title 32, Colorado Revised Statutes, wishing to avail itself of the provisions of C.R.S. §32-1-1001(1)(j), makes and declares the following Statement of Lien:

FIRST: That the name or names of the respective owner or owners of the property or properties to be charged with the lien are as set forth in paragraph FIFTH of this Statement.

SECOND: That the name of the entity claiming the lien is Timbers Water and Sanitation District, a Colorado special district (the "District"). That the name of the entity which has made available water and sewage disposal facilities to such property or properties, or which has furnished the water and sewage disposal services and assessed service fees, availability-of-service fees, tap fees, charges and interest for which said lien is claimed by statute is Timbers Water and Sanitation District.

THIRD: That the description of the property or properties to be charged with the lien are set forth in paragraph FIFTH of this Statement.

FOURTH: That the lien of the District on the property or properties is held for and on account of water and sewage disposal service fees, availability-of-service fees, tap fees, charges and/or accrued interest thereon through _____, 198__, duly and properly levied and assessed by the District pursuant to statute and its duly adopted Rules and Regulations; that said lien is perpetual under said C.R.S. §32-1-1001(1)(j) and may be foreclosed at any time in the same manner as the foreclosure of a mechanic's lien; and that C.R.S. §32-1-1006(1)(d) authorizes the assessment of interest on delinquencies due to the District at a rate not exceeding one percent per month or fraction thereof.

FIFTH: That the amount of unpaid fees, charges, sums, and interest accrued through _____, 198__, as to each separate property for which the lien is claimed for water and sewage disposal services, and for which service fees, availability-of-service fees, tap fees, charges and/or accrued interest thereon have been levied and assessed, is set forth on page 2 of this Statement of Lien, opposite the description of each separate property and identification of the owner of record of each such property:

Rules and Regulations of Timbers Water and Sanitation District

Legal Description of Property and Owner of Record	Service Charges Due and Unpaid	Availability of Service Fees Due and Unpaid	Tap Fees Due and Unpaid	Interest	Total Amount Unpaid
---	---	--	-------------------------------	----------	------------------------

TIMBERS WATER AND SANITATION DISTRICT

By: _____
President or Manager

By: _____
President or Manager

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

I, _____, being of lawful age and being first duly sworn upon oath, do say that I am (President)(Manager) of Timbers Water and Sanitation District, a Colorado special district, the claimant herein named; that I have read the within statement of lien and abstract of indebtedness and know the contents thereof; and that the same is true and correct, to the best of my knowledge, information and belief, and is made on behalf of the claimant.

President or Manager

Subscribed, sworn to and acknowledged before me this _____ day of _____, 198__ by _____, as (President)(Manager) of Timbers Water and Sanitation District, a Colorado special district.

WITNESS my hand and official seal.

Notary Public

My commission expires:

Exhibit "E" – Release of Statement of Lien

EXHIBIT "E"

RELEASE OF STATEMENT OF LIEN
UNDER C.R.S. §32-1-1001(1)(j)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, TIMBERS WATER AND SANITATION DISTRICT, a Colorado special district organized pursuant to Article 1 of TITLE 32 of Colorado Revised Statutes (the "District"), by STATEMENT OF LIEN under C.R.S. §32-1-1001(1)(j) and duly recorded in the records of the Clerk and Recorder of Routt County, Colorado, on the _____ day of _____, 198____, in Book _____, at Page _____, did encumber and lien certain property therein described and situated in Routt County, Colorado, for and on account of water and sewage disposal service fees, availability-of-service fees, tap fees, charges and/or accrued interest thereon, duly and properly levied and assessed.

AND WHEREAS, all of said fees and charges and interest have been paid and satisfied by or on behalf of the present owner or owners of the real property described in and encumbered by such STATEMENT OF LIEN, and it has been agreed between such owner or owners and the District that all of said property be released from said STATEMENT OF LIEN.

NOW, THEREFORE, in consideration of said payment and said agreement, the said lien and encumbrance of the District described in said STATEMENT OF LIEN is hereby fully released and all real property described in and encumbered by said STATEMENT OF LIEN is discharged therefrom.

IN WITNESS WHEREOF, this Release of Statement of Lien is executed this ____ day of _____, 198____.

TIMBERS WATER AND SANITATION DISTRICT

By: _____
President or Manager

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____, as (President)(Manager) of Timbers Water and Sanitation District, a Colorado special district.

WITNESS my hand and official seal.

Notary Public

My commission expires:

Water and Sewer Service Commitment Letter (July 9, 1990)

July 9, 1990

The Timbers Preserve, Ltd
c/o Ed Ryan
1030 Madison Street
Denver, CO 80206

Re: Timbers Water and Sanitation District/
Water and Sewer Service Commitment Letter

Gentlemen:

You are the owner and/or developer of a tract of land (herein called the "Subject Property") lying within the boundaries of the Timbers Water and Sanitation District (the "District"), such tract consisting of approximately 460+ acres and described generally on Exhibit "A" attached hereto.

This letter shall serve as the conditional agreement and commitment of the Timbers Water and Sanitation District that it will make available to the Subject Property the existing water and sewage disposal trunklines and appurtenances of the District, and shall serve the Subject Property with potable water and the collection and treatment of raw sewage, for up to 14 single-family equivalent units, PROVIDED, however, that this commitment is conditioned upon and subject to each of the following:

(a) As used in the letter, the term "Developer" shall mean the person or entity who undertakes the development of the Subject Property, whether as owner, contract purchaser, contractor or agent, and the term "JGA" shall mean Jerry Gamba & Associates, Inc., Consulting Engineers and Land Surveyors, 201 Centennial, Suite 306D, Glenwood Springs, Colorado 81602-1458, or its successor as the designated engineering firm for the District.

(b) Construction, maintenance and operation of water and sewer trunklines, service lines and appurtenances on and to the Subject Property, and the use of water and sanitary sewer services by consumers on the Subject Property, shall be subject to all terms, limitations and provisions of the Rules and Regulations of the District in effect from time to time and uniformly applied throughout the District. All structures and users within the District are subject to water rationing by the District, on a uniform and reasonable basis, in the event of shortages or anticipated shortages of raw water supplies of the District. Such rationing may include, but not be limited to, voluntary or mandatory

Rules and Regulations of Timbers Water and Sanitation District

limitations, restrictions or prohibitions upon the irrigation of lawns and landscaping within the District.

(c) If your development requires planning approvals of the County of Routt, then prior to consideration for final approval by the Routt County Planning Commission and the Routt County Commissioners of the plans for the development of the Subject Property, the Developer of the Subject Property shall submit to JGA for review and comment true copies of the same plans and specifications for the development of the Subject Property to JGA as were given to the Director of Planning of the County of Routt. The Developer shall reimburse the District for the cost of JGA to review and comment upon such plans, such review and comments to be limited to the effect thereof upon the water and sewer services of the District.

(d) Developer will be required to reimburse the District for all of JGA's fees incurred by the District in connection with evaluations, reviews, and approvals required by this letter or by the Rules and Regulations of the District.

(e) The District makes no representations to Developer or any subsequent owner or user of any part of the Subject Property that any particular minimal level of fire flow requirements for development on the Subject Property have been or will be met; rather, JGA will advise the Developer at Developer's request and cost of the fire flow pressures of which the existing system is capable.

(f) This conditional commitment and agreement is made pursuant to that certain General Waiver and Release dated April 22, 1987 (the "Release"), between the District and United Bank of Denver National Association ("UBD"), and in the event of any conflict between this letter and such Release, the provisions of such Release shall control. Therefore, this conditional commitment and agreement is limited to 14 single family equivalent water and sewer taps within the Subject Property.

(g) This conditional commitment and agreement is subject to temporary interruption of water service due to breakdown of facilities, accidents, acts of God, and outside governmental intervention.

Provision of service of potable water and sanitary sewage disposal by the Timbers Water and Sanitation District is, of course, contingent upon prompt payment of all availability-of-service fees and user charges imposed from time to time by the District. At the present time, the Timbers Water and Sanitation District does not impose service charges or availability-of-service charges, but all rights are reserved to the District to charge the same in the future.

Very truly yours,

Richard A. Curtis
President
Timbers Water and Sanitation District

Rules and Regulations of Timbers Water and Sanitation District

ACKNOWLEDGMENT

The undersigned Developer Timbers Preserve, Ltd., hereby acknowledges (i) prior timely receipt of the current Rules and Regulations of the District, (ii) it has read and understands such current Rules and Regulations, and (iii) receipt of this letter.

TIMBERS PRESERVE, LTD.

Date: _____

By: _____

RAC:ts

cc: Steve Fry
Tom Sharp, Esq.
Jerry Gamba
Bob Geer
Mr. & Mrs. Tom Kleman

RESOLUTION AMENDING RULES AND REGULATIONS – July 1990

Handwritten initials and a circular stamp.

RESOLUTION
AMENDING RULES AND REGULATIONS
OF
TIMBERS WATER AND SANITATION DISTRICT

WHEREAS, the TIMBERS WATER AND SANITATION DISTRICT of Routt County, Colorado (hereinafter called the "District"), has adopted Rules and Regulations to govern the operations and planning of the District; and

WHEREAS, pursuant to Section 1.2 of said Rules and Regulations, the Board of Directors of the District is enabled to amend and change said Rules and Regulations at any time by majority vote of the Board of Directors of the District; and

WHEREAS, the Board of Directors of the District now desires to adopt certain amendments and changes to the said Rules and Regulations of the District, the same being for the health, welfare, and benefit of the inhabitants of the District.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE TIMBERS WATER AND SANITATION DISTRICT that, pursuant to Section 1.2 of the adopted Rules and Regulations of the District and pursuant to C.R.S. §32-1-1001(m), the following amendments and changes are hereby made, declared, adopted, and ordered to the Rules and Regulations of the District, effective immediately upon passage of this Resolution:

(1) The second sentence of Section 2.2 is deleted and the following inserted in lieu thereof:

"Such Application shall be delivered to the District at least 60 days prior to start of construction and shall be accompanied by complete final plans and specifications for the water and sewer improvement aspects of development on the Development Parcel, which shall be submitted for review by the District's Engineer. Such plans and specifications shall include a complete and adequate maintenance guide for each storage tank, pump, pumping station, specialty valve, lift station, and other specialty appurtenances (hereinafter called "Specialty Appurtenances") within the planned water and sewage disposal system for development on the Development Parcel which the Developer will be requesting for the District to accept and maintain."

(2) Subsection 2.4(c) shall be amended to read as follows:

Rules and Regulations of Timbers Water and Sanitation District

"The Developer has provided a set of reproducible as-built drawings at inch/100 scale to the District, showing the finished location of all Main Lines and Service Lines and appurtenances and Specialty Appurtenances, along with tie sheets showing three measurements to all valve boxes, manholes, curb boxes, and clean-outs and Specialty Appurtenances, and further showing that each parcel, subdivision lot, structure, or residence to be served has either direct access to or required easements necessary to be served by such extended Mains and District Facilities."

(3) Subsection 2.4(b)(2) shall be amended to read as follows:

"All valves, hydrants, Specialty Appurtenances, and other appurtenances in sound working order."

(4) The following shall be added after the last sentence of Subsection 2.4(b):

"The Developer shall advise the District Engineer and the Board of the availability of the water and sewer lines and appurtenances and Specialty Appurtenances for such inspection and testing, and shall coordinate a mutually convenient time for such inspection and testing to take place. The Developer shall reimburse the District for all costs and expense of the District and the District's Engineer in the inspection and testing of such lines and appurtenances."

(5) The following sentence shall be added at the end of Subsection 1.7(b):

"All water Service Lines shall be stubbed out to lot lines at the time of initial construction. Internal road cuts and fills may interfere with existing trunklines, so road designs within the Development Parcel shall require the approval of the District Engineer respecting no adverse affect on existing District trunklines and appurtenances."

(6) A new Section 2.11 shall be added, reading as follows:

"2.11 Commitment Letter; Reimbursement of Expenses. At the request of the Developer for a Development Parcel within the District, the District may provide a Commitment Letter in form and content acceptable to the Board and consistent with these Rules and Regulations committing for service of potable water and/or sanitary sewer collection and treatment. The attorney's fees and engineer's fees for preparation of such letter shall be reimbursed to the District by the Developer. Developer shall further be required to reimburse the District for all fees of the District's attorney and Engineer incurred by the District in connection with research and preparation of any deeds required under Subsection 2.4 (a) and in connection with the valuations, reviews, and approvals of plans required by these Rules and Regulations and testing of as-built facilities constructed by the Developer."

(7) The sixth sentence of Subsection 4.3 of the Rules and Regulations shall be amended to read as follows:

"For purposes of this Section 4 and of Exhibit "A," 'a single family dwelling unit equivalent' shall be deemed to mean any building, or any separate or separable part of any building, or any separately described condominium unit or townhouse unit, designed and intended for human occupancy by a single-family of related persons, and which includes a kitchen area containing a stove, a sink, and a refrigerator, and may include a lawn area not to exceed 2500 square feet and which does not include any interior or exterior swimming pool or lap pool. If any building designed for occupancy by a single-family unit has an appurtenant lawn area in excess of 2500 square feet, or if any building designed for occupancy by a single-family unit has appurtenant interior or exterior swimming pool or lap pool, then such building shall be charged twice the single-family dwelling unit equivalent service charge rate of the District, but there shall be no increase of the tap-on fees of the District to such building. If any building designed for occupancy by a single-family unit includes both an appurtenant lawn area in excess of 2500 square feet and an interior or exterior swimming pool or lap pool, then such building shall be charged three times the single-family dwelling unit equivalent service charge rate of the District, but there shall be no increase of the tap-on fees of the District to such building.

Rules and Regulations of Timbers Water and Sanitation District

APPROVED AND ADOPTED this 4 day of July, 1990.

TIMBERS WATER AND SANITATION DISTRICT

Date: July 4, 1990

By:

Richard C. Curtis
Richard C. Curtis, President

ATTEST:

Robert Geer
Robert Geer, Secretary

Timbers Commitment
TRS43
6/26/90

RESOLUTION AMENDING RULES AND REGULATIONS – November 2012

RESOLUTION AMENDING RULES AND REGULATIONS OF TIMBERS WATER AND SANITATION DISTRICT

WHEREAS, the TIMBERS WATER AND SANITATION DISTRICT of Routt County, Colorado (hereinafter called the "District"), has adopted Rules and Regulations to govern the operations and planning of the District; and

WHEREAS, pursuant to Section 1.2 of said Rules and Regulations, the Board of Directors of the District is enabled to amend and change said Rules and Regulations at any time by majority vote of the Board of Directors of the District; and

WHEREAS, the Board of Directors of the District now desires to adopt certain amendments and changes to the said Rules and Regulations of the District, the same being for the health, welfare, and benefit of the inhabitants of the District.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE TIMBERS WATER AND SANITATION DISTRICT that, pursuant to Section 1.2 of the adopted Rules and Regulations of the District and pursuant to C.R.S. §32-1-1001(m), the following amendments and changes are hereby made, declared, adopted, and ordered to the Rules and Regulations of the District, effective immediately upon passage of this Resolution:

(1) Section 4.4 is deleted and the following inserted in-lieu thereof:

4.4 Billing and Payment of Service Charges. The Board shall establish all service charges, including availability of service fees, by the end of December of the year before the year for which the charges apply. The Board may bill for service charges annually, semi-annually, or quarterly and shall elect the schedule for billing at the time it establishes the charges. Billings may be delivered by ordinary or electronic mail as the Board determines. Service charges, including availability of service fees, shall be due and payable in full on or before the end of the month after the billing is sent to Customers. For individual condominium units only, billings shall be made to the Condominium Owners Association which acts a managing agent for all condominium unit owners.

(2) Section 4.8 is deleted and the following inserted in-lieu thereof:

4.8 Availability of Service Fees. At any time after adoption of these Rules and Regulations and upon resolution passed by the Board, the District may charge "availability-of-service" fees to each unimproved lot or parcel within the District on which no building structure has been constructed and no initial connection with District Main Lines has been made, provided that a District Water Main and, if required by that lot or parcel, Sewer Main are installed within 100 feet of the boundary of each unimproved lot so assessed. If so assessed, such "availability-of-service" fees shall be charged and assessed to and against the fee simple owner of record of each such lot or parcel, shall be made for the services to be provided to such lot or parcel when developed, shall be in the amount of 50% of the periodic fees for the services to be provided to such lot or parcel when developed established by the Board and set forth on Exhibit "A" hereto,

Rules and Regulations of Timbers Water and Sanitation District

as may be amended from time to time, and shall be billed in the same manner as service charges are billed by the District. Such fees shall be due and payable on or before the last day of the first month after such fees are billed. Availability-of-service fees shall be assessed solely for the purpose of paying principal of and interest on outstanding bonded indebtedness of the District and shall not be used to pay any operation or maintenance expenses of, not capital improvements within or for, the District. Prior to adoption by the Board of a resolution assessing availability-of-service fees within the District, a Notice stating that such availability-of-service fees are being considered, and stating the date, time, and place of the Board meeting at which such resolution is to be considered, shall first be mailed by first-class U.S mail, postage prepaid, to each taxpaying elector of the District at his last known address, as disclosed by the tax records of Routt County.

APPROVED AND ADOPTED this 12th day of November, 2012.

TIMBERS WATER AND SANITATION DISTRICT

DATE: November 12, 2012 By: _____

Wayne Eads, President

ATTEST:
