



METROPOLITAN DISTRICT RULES AND REGULATIONS

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Amended

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The Board of Directors of the Cherokee Ridge Estates Metropolitan District hereby adopts the following Rules and Regulations pursuant to § 32-1-1001(1)(m), C.R.S. to provide for the orderly and efficient conduct of the business and affairs of the Cherokee Ridge Estates Metropolitan District. These Rules and Regulations are supplementary to and are not to be construed as any abridgement of, the lawful rights of the Board to manage the District as outlined in the Colorado Revised Statutes governing special districts. The Board of Directors expressly reserves the right to revise these Rules and Regulations from time to time in order to properly manage the District and to promote the health, safety and welfare of the residents and property owners in the District.

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SECTION 1: OVERVIEW AND GENERAL INFORMATION

1.01 District Overview

- A. The District is a quasi-municipal corporation and political subdivision** of the State of Colorado formed to provide necessary public services that the county cannot otherwise provide. The District has the authority to assess property taxes and fees for the installation, operation, and maintenance of public infrastructure for the benefit of the community and to protect the health, safety, security, and general welfare of its residents.
- B. The Board of Directors** is the governing body of the District. The Board members of the District are volunteers comprised of elected residents and property owners of the District. Meeting notices, agendas and minutes are posted on the CRE Website: <http://www.cherokeeridgestates.com>
- C. These Rules and Regulations** are promulgated and adopted pursuant to the provisions of §32-1-1001(1)(m), C.R.S., as amended from time to time and set the expectations for the conduct of persons on District property; the maintenance of roads, storm water drainage, and common areas; and the control, management and operation of the water distribution system consisting of individual wells and the sanitary sewer system, comprised of septic systems for each Lot.
- D. Basic functions & responsibilities:**
- I. Collect revenues from property taxes, vehicle taxes and District fees to fund the operations of the District.
 - II. Maintain the front entry, security gates, roads, signage, common areas, storm water drainage systems and paying down any debt used to fund improvements.
 - III. Snow plowing the community roads.
 - IV. Water wells are the property owner's responsibility for the initial drilling and installation. Following completion, the property owner is required to transfer ownership of the well to the District. The District owns the water rights under the Districts. The district then becomes responsible for repairs of components inside the well casing and the water meter. The District bills for water usage to help fund such repairs. Water quality testing is a property owner's responsibility. To date, the District is unaware of any meaningful water quality issues.
 - V. Septic systems are installed and owned by the property owner. To help ensure public safety, the District provides annual inspections, and pumping of septic systems as required. Property owners are responsible for any required repairs. A Septic Do's & Don'ts guide is on the CRE website.
 - VI. Levy fines for poor behavior on district property (e.g., speeding, littering, driving ATVs on open spaces).

E. General Information:

- I. Mailboxes: are located at the front entry. Keys should be provided by previous property owners or may be obtained from the Littleton post office located at 8200 Shaffer Pkwy (800-275-8777).
- II. Vehicle Security Gates: previous property owners should provide new owners with at least 2 entry gate visor remotes. The Vehicle Security Gates guide on the CRE website provides valuable information including how to obtain personal keypad pin numbers and how to have visor remotes registered and authorized for continued use.
- III. Fire Cisterns: Water for fire protection is provided by two 30,000-gallon fire cisterns equipped with a fire department hook up. These buried tanks are located at Lots 23 and 44 on Aspen Leaf Drive. South Metro Fire Station 40 is just north of CRE, 2.1 miles from the front gate.

1.02 District Board Meetings

- A. Meetings** of the Board of Directors are open to the public. Meeting notices, agendas and minutes are posted on the CRE Website: <http://www.cherokeeridgestates.com>
- B. Executive Session.** From time to time the Board meets in executive session to receive legal advice or to discuss ongoing contract negotiations, litigation matters, or other legally privileged matters. Executive sessions are not open to the public.
- C. Minutes** of meetings are prepared for each meeting and, after approval by the Board, are available for public inspection.
- D. Public Comment Policies** may be implemented by the Board at any given meeting to ensure efficient public comment:
 - I. Sign in: persons desiring to address the Board must sign a Public Comment Sign-in Sheet with name and address to be included in the meeting minutes.
 - II. Order of Comment: individuals will typically be called to comment in the order in which they have signed-in. The Board President may alter this order.
 - III. Time for Comment: individuals have three minutes to address the Board and additional time may be allowed as determined by the Board. The total amount of time for public comment shall not exceed thirty minutes.
 - IV. Conduct During Public Comment: speakers should not address nor engage in dialogue with individual Directors, as comments shall be made to the Board:
 - a. To respect the time allotted for speakers, Directors will endeavor to not engage individual speakers during their comment period.
 - b. Speakers should not be offended if the Board of Directors do not answer specific questions as the Board may need to consider the comments, engage consultants, and delay comments until a future meeting.
 - c. Comments shall not contain vulgar or offensive language as such use is grounds for the President of the Board of Directors to ask the speaker to leave the meeting.

1.03 District Revenues

A. Property Taxes:

- I. Total Property tax mill levy for the combined General, Reserve and Debt funds are capped at a maximum of 50 mills.
- II. The General fund is used to pay for the routine annual maintenance and operations of the District. Revenues available for this fund are limited by a voter approved property tax revenue cap to \$300,000 plus a 3% annual inflation increase for 20 years. There are no caps on other sources of revenue (e.g., vehicle taxes, fees, etc.).
- III. The Debt fund mill levy is capped at 40 mills, subject to adjustment for changes in method of calculating assessed value.
- IV. Reserves. In 2023 the voters approved raising the property tax cap for revenue from \$150,000 to \$300,000 (plus a 3% annual inflation increase thru 2043). They did so with the Board's pledged that the District would manage the total year end reserves to not exceed approximately \$300,000, with annual inflation adjustments, and any reserve surplus would be refunded to the District's taxpayers at the end of each year on a pro-rata basis reflecting the property taxes paid by the property owner.

B. Vehicle Taxes:

Specific Ownership Tax revenues from vehicle registrations. The amount of vehicle tax revenue received is directly proportional to the property tax mill levy certified by the District each year. For example, a decision to reduce the property tax mill levy causes a proportional reduction in vehicle tax revenue with no reduction in the vehicle taxes paid by the District's residents.

C. Water Usage Fees:

Water billing revenues are used to promote conservation and help offset the District's cost for maintenance to District owned water infrastructure.

D. HOA Funding:

The HOA may provide funding to the District at its sole discretion for projects and services provided or to be provided by the District. The ownership of all projects or services funded by the HOA shall remain with the District. (The details for this funding agreement are contained in the document: "AGREEMENT FOR CHEROKEE RIDGE ESTATES FUNDING" dated May 9th, 2018.)

SECTION 2: GENERAL RULES

2.01 Rules & Fines

General	Fine
a. The speed limit on the paved areas is twenty-five (25) miles per hour.	\$250
b. Overnight parking of any vehicle or trailer on paved public roads.	\$100
c. The emergency access road is on private property and closed to both pedestrians and vehicles, it is for emergency use only.	\$100
d. Evidence of tampering with a water meter, cellular endpoint, or its communication cable.	\$1,000
e. Failing to cooperate in a timely manner with a District request to test, repair, replace or inspect wells, water meters or septic systems.	\$250
f. Tampering with the vehicle security gates.	\$250
Activities on Open Space Areas	Fines
a. Pets must be leashed and under owner's control at all times.	\$100
b. Pet owners are responsible for immediate removal of pet waste.	\$250
c. No animals shall be tethered or left unattended at any time.	\$250
d. Open Space is open from sunrise to sunset.	\$250
e. Wildlife and/or its habitat shall not be disturbed in any manner.	\$250
f. Music of any type or source shall be kept to a level so as not to disturb other facility users or surrounding property owners.	\$250
g. Open Space users are personally liable for the destruction of District property and for any damage to nearby homes caused by their activities in the Open Space.	\$250
h. All Open Space users are responsible for removal and proper disposal of all trash, litter, and debris.	\$250
i. No portion or area of the Open Space shall be cordoned off or otherwise reserved for use without written permission of the District.	\$250
j. Removal or destruction of landscape materials, irrigation system components, trees, or vegetation.	\$250
Prohibited Activities on District Open Space	Fine
a. All-terrain vehicles (ATVs) and motorized vehicles of any kind on the open space or unpaved areas without prior written approval from the District. <i>(Board members and District contractors in the performance of their duties are authorized such access.)</i>	\$1,000
b. Fireworks or open flames (including model rockets) of any kind.	\$1,000
c. Overnight camping and / or open fires (including barbeques).	\$1,000
d. Practicing golf.	\$250
e. Littering or dumping of trash.	\$250
f. Horses in the Open Space.	\$250
g. Misuse/defacement of any District facilities or property.	\$250
h. Weapons of any kind, including any projectile (e.g., archery, etc.).	\$250
i. Tree houses, rope swings, hammocks or other attachments to trees or facilities.	\$250
j. Glass containers of any kind.	\$250
k. Signs, banners, or other displays.	\$250
l. Disorderly conduct and/or abusive language.	\$250
m. Alcoholic beverages and/or illegal drugs or related paraphernalia.	\$250

A. Violations

- I. Violators of these rules are responsible for the cost of any damages and are subject to the fines listed above.
- II. The Board of Directors may consider limiting the first violation to a warning letter or reduced fine and may double fines for subsequent violations.
- III. Fines not paid within 30 days will accrue 18% annual interest, a \$15 per month late charge, are subject to a property tax lien and costs to administer the lien.

2.02 Vehicle Security Gates

- A. **Gate Access.** The entry gate may be opened via a visor remote, entering a pin number, or using the keypad resident directory function to call a resident (the resident then enters “9” on their phones keypad to open the gate). Vehicles equipped with a HomeLink, or similar system can be trained via the visor remote to also open the gate. The exit gate is opened by driving over the loop sensor embedded in the asphalt just prior to the gate. Motorcycles exiting may need to drive over the corner of the ground loop to activate it. If that becomes an issue, “exit” remotes are available.
- B. **Ice Melt.** Use caution during winter conditions as the downhill approach to the exit gate may become icy and slick. Please use the ice melt in the bin located near the exit gate to treat the slick areas when required.
- C. **Gate Malfunctions.** Report gate malfunctions or maintenance issues to the District Manager. During power failures both gates are programmed to automatically open. Never attempt to push a gate open or disassemble the gate arms. Extremely high wind events may negatively impact gate operation requiring them to be set to “open” until the winds subside.
- D. **Security Gate Pin Numbers.** Remotes and Requests. Contact the District Manager for the following requests:
 - I. New keypad pin numbers
 - II. Change your keypad Directory phone number
 - III. New gate remotes. The initial 2 remotes are provided free to the original lot owner who builds a residence on the property. Replacement and extra remotes are then \$50 each
 - IV. Exit gate remotes for motorcycles (free)
 - V. Residents hosting a social event may request to have the entry gate pre-programmed open during a specified time period to ease guest arrival issues (e.g., from 5 to 10pm this Saturday).
 - VI. Temporary pin numbers for contractor or vendors
 - VII. Gate malfunctions and maintenance issues
- E. **Transferring Gate Remotes to a New Property Owner.** It’s the responsibility of buyers of existing homes to ensure the seller transfers a minimum of 2 gate remotes to them. If not received, the buyer will need to purchase any desired remotes.

2.03 District Easements

A. Road Easements. With respect to the utility/drainage easements along the sides of the public roads, the following clarifies the guidance contained in the Final Plat Statements and Notes:

- I. Snow Plowing. The District or its agents are permitted to push snow into the utility/drainage easement on each lot adjacent to the public roads.
- II. Road Maintenance. The District or its agents are permitted to take all steps needed to protect or maintain the roadway from structural damage including crack sealing between the road and a property owners' driveway.

B. Well, Water Meter and Septic Easements. A perpetual non-exclusive easement is provided by each property owner to the District to meter, monitor, maintain, repair replace and test well improvements and appurtenances and to inspect and maintain septic improvements and appurtenances defined in these Rules and Regulations. The District and its agents have the right of ingress and egress in, to, through, over, under and across of the property including each individual lot pursuant to the recorded Easement Deed and Agreement applicable to each lot.

SECTION 3: WATER USAGE BILLING AND CONSERVATION

3.01 Water Usage Billing

A. Meter Readings: Annually in October the District will provide water billing invoices based on each property's water usage. Should the automated water usage data collection system fail, the District will request the impacted property owners submit a photo (email or text) of the meter's reading within two weeks of the request. A late meter reading photo submittal results in a \$5 per day late fee, and the full reading of the late submittal will be used to calculate the current water bill.

B. Water Usage Fees:

Water Use	Rate
0 up to and including 225,000 gallons	\$500
226,000 up to and including 326,000 gallons	\$6 per 1,000 gallons
<i>Exceeding the annual limit of 326,000 gallons is penalized as follows:</i>	
327,000 up to and including 400,000 gallons	\$18 per 1,000 gallons
Usage exceeding 400,000 gallons	\$36 per 1,000 gallons

C. Water Penalties: Property owners exceeding the combined annual water budget of 326,000 gallons will be notified of their violation, required to provide the District with a written plan of adjustment to ensure future compliance.

D. Late Fees, Interest and Returned Check Fees: A monthly \$15 late fee plus 12% annual interest will be applied to amounts that are more than 5 days past due. These late fees and interest are assessed from the due date. The returned check fee is \$25 plus actual costs.

E. Water Allocation Upon Home Sale: The property owner during the annual water billing is responsible for payment to the District for the year's full water bill. Therefore, the buyer and seller are responsible to negotiate an amount due from the seller for their portion of the annual water use, and if desired have those funds transferred to the buyer during the closing process. The District will not provide any water billing proration.

3.02 Water Conservation

A. General. The District requires the conservation of water within its service area. No person shall use any water provided by the District other than for uses permitted by the District. The District strongly encourages customers to:

- I. Utilize good practices to conserve water.
- II. Winterize sprinkler systems and remove all garden hoses from outside hose bibs in early October.
- III. Periodically monitor water usage to detect hidden leaks, especially during the summer irrigation period.

B. Pools, Spas and Water Features. Pools, Spas and Water Features in excess of 500 gallons may not be initially filled with water from the District's Wells.

C. Residential irrigation is limited to 12,000 square feet per home as specified in the Decree and Service Plan.

D. Determination of Available Water Supply. The District shall, from time to time, determine the amount of available potable water supply for use within the District. If the Board determines at any given time that there are insufficient potable water supplies to meet all of the present and anticipated needs, the Board may order restrictions, curtailments or prohibitions upon the use of water.

- I. Any restrictions, curtailments or prohibitions contemplated will be uniformly applied to all similarly situated water Customers within the District's Service Area.
- II. Except in cases of emergency, the Board shall post notice within the District prior to imposing any curtailments, restrictions, or prohibitions upon the use of water as herein provided. The notice shall include a statement as to said restrictions, curtailments, or prohibitions, together with a statement of the penalties for violations and the time period for which such restriction shall be in effect.
- III. Any Person or Customer of the District violating any provision of this Section shall be subject to penalties as may be hereafter set by the Board.

E. Water Leaks. Water leaks are to be repaired in a timely manner. Water leaks discovered and repaired in a timely manner may be reported to the District with a request for a water use adjustment (typically 67% of the estimated water loss). A second water leak adjustment request within 2 years of a previous adjustment will typically be denied.

SECTION 4: WATER METERS

4.01 General.

- A. Water must be metered** pursuant to the decrees and all water meters shall be provided by the District.
- I. Accessibility. All meters shall be accessible for meter reading. Right to enter private property is granted as a condition of water service to District personnel, employees or agents for the purpose of meter reading, testing or repairs.
 - II. Remove, Repair or Alter. Under no circumstances shall anyone other than District approved personnel remove, repair, or alter a water meter or its remote transmitter without the prior approval of the District. Remote transmitters may not be moved and shall remain accessible for repair or replacement. If a property owner desires to have the remote transmitter relocated, as may be required by remodeling, they must coordinate this action with the District and the District will be responsible for adjusting the transmitters' location.
 - III. Ownership and Maintenance. Once initially installed the water meter and, if any, remote transmitters shall be owned and maintained by the District at no cost to the customer.
 - a. Missed appointment fees charged by a District contractor are the responsibility of the Customer.
 - b. No claim for damage shall be made against the District due to damages caused by water running or escaping from open or defective valves, burst service lines, meters or other facilities regardless of who serviced, installed, or replaced a water meter or other water service component.

4.02 Meter Testing

- A. Meter Testing**. The District may at any time test, repair or replace a Customer's water meter to ensure that the meter is recording within 5% accuracy limits.
- B. All property owners must cooperate** with the District regarding access to the property to perform any meter test, repair, or replacement. Failing to cooperate in a timely manner will result in a \$250 fine with subsequent delays subject to discontinuation of water service.
- C. Testing shall be done by** District personnel, or a District contractor trained to perform meter testing.
- D. Customers may request a water meter examination** and test by the District:
- I. Deposit. The request shall be in writing and shall be accompanied by a \$200 deposit.
 - II. Reads accurately: if the meter registers within 5%, the deposit shall be retained by the District as the expense of making the test.
 - III. Reads high or failed: if the meter registers over the 5% tolerance or fails to read water use the meter shall be repaired or replaced by the District and the deposit returned.

- IV. Reads low: if the meter registers below the 5% tolerance, the District, at its discretion, may replace or repair said meter.

E. Bill Adjustments

- I. High Readings: If the meter registers over the 5% tolerance, large errors may be considered for adjustment via a rebate or a current or future water bill credit.
- II. Low Readings: If the meter registers below the 5% tolerance, large errors may be considered for a debt adjustment to the current bill.
- III. Failure to Read: Should the meter completely fail to register water use; the current bill will be adjusted as determined by the District using historical billing data on a fair and equitable basis.
- IV. No adjustment will be made to any prior bills.

F. Meter Repair or Replacement

- I. Property owners may request replacement of their water meter at any time, and will be responsible for all associated costs, including the meter.
- II. If the District determines a meter needs to be repaired or replaced, only District approved contractor or personnel are authorized to perform these actions.

SECTION 5: WATER WELLS

5.01 Property Owner Responsibilities for Maintenance and Repairs

- A. **The property owner shall keep** the Service Line and all pipes and fixtures on his or her premises in good repair and are responsible for all maintenance of the water service line, electrical service lines and well components exterior to the well casing. If in doubt as to who is responsible for the repair, submit the repair bill to the District for review.
 - I. Customers are required to notify the District prior to repairing or replacing a well or well pump within 24 hours of a required emergency repair. The District will refer the customer to its preferred well service provider.
 - II. If Service Line repairs are not initiated within a 72-hour period of time, the District may, in its discretion, shut off water service until repairs have been affected. The Customer shall be responsible for all damages that may occur to other property, real or personal, including property of the District, that were a result of a failure to repair and maintain the Service Line, including, but not limited to, leaks occurring in a Service Line, bursting or other failure of the Service Line
 - III. If the Customer fails to follow the provisions of this Section, the District may repair the Service Line and bill the Customer for such costs of repairs to include backfilling and restoration of property.

5.02 District Responsibilities for Repair & Replacement

- A. The District is responsible** for the maintenance and repair of the well and pump so long as the maintenance and repair needed is not due to improper installation or other conditions caused by the property owner.
- I. Water Quality. The District is not responsible for testing or monitoring the quality of well water.
 - II. Liability. The District does not assume any obligation nor acquire any liability for damage to the customer's property or any portion thereof caused by or resulting from well repairs or replacements.
 - III. Well Repair or Replacement. Approved repairs to a well or pump will be reimbursed by the District.
- B. Limitations.** Well replacement is limited to the current cost to provide a well that is similar in size and depth to that of the original well, providing water is reasonably available. If a replacement well is required to be drilled into a deeper aquifer, the additional cost to drill below the level of the original well is the responsibility of the customer. If the original well was not drilled to the bottom of the aquifer, and if the well's failure to produce water is due to being too shallow to make use of available water in the drilled aquifer, then such a well repair/modification is also the responsibility of the customer.
- C. Pump Repair or Replacements.** Required repairs to pumps, or the electrical service within the wells casing will be reimbursed for similar size and quality of pump. However, if water production is limited due to shallow pump placement within the well in relation to the water level, the costs to lower the pump shall be paid by the property owner.
- D. Pump Control Box Repair or Replacement.** If the repair or replacement is due to the installation of a new pump, or damage caused by faults within the well casing, that cost will be reimbursed; capped at the cost of a basic pump control system (i.e., non-digital, non-variable frequency).

SECTION 6: SEPTIC SYSTEM

6.01 Septic Systems

- A. Responsibility of the Property Owner.** All repairs, maintenance and/or replacement costs other than the District's annual inspection and pumping shall be the Property owner's responsibility.
- I. Required repairs not accomplished within 90 days of notice of the needed repairs may result in the District causing the repairs to be made. The costs of such repairs, including administrative costs, will be billed to the property owner.
 - II. Emergency repairs are ordered by the District when the health and safety of the District residents is at risk. If the property owner fails to make such repairs in a timely manner, the District will cause the repairs to be made and the property owner will be billed.

B. Responsibility of the District. Once installed, the District will coordinate for and pay the costs for annual inspections of the septic system installed on each Lot, including pumping as needed. The inspection reports and recommendations will be provided to the property owners for their review and actions.

6.02 Fees and Charges for Wastewater Service

A. Fee Schedule. All fees, rates, tolls, charges, and penalties provided for in these Rules and Regulations shall be in the amounts detailed in these Rules and Regulations as amended from time to time.

B. Service Charge. The District may impose a service charge upon each Lot for the provision of sanitary sewer service. The service charge shall be imposed upon the issuance of a certificate of occupancy for each residence.

C. Central Sanitary Sewer Service. The District may at any time connect to a central sanitary sewer line.

SECTION 7: INSTALLATION OF WELL AND SEPTIC SYSTEMS

7.01 Well Construction

A. Water Well Installation

- I. Each Customer is responsible for drilling and installing a Well, pump, appurtenant equipment, meter, and Service Line to the residence.
- II. Well Location. Property owners are responsible for approving the final location of the well head to ensure adequate space will remain available for future maintenance visits as may be required by well pump servicing trucks, potential repair excavation etc. Considerations should include avoiding nearby concrete flat work, retaining walls or landscaping that may be damaged during such activities. The District does not assume any obligation nor acquire any liability for damage to the property caused by such activities.
- III. Well Permit. Permits for drilling are acquired by the District upon request from a property owner. No wells may be drilled prior to obtaining a permit. Permits shall be used only for the address specified in the Permit, and may not be transferred to another address, property, or ownership other than Cherokee Ridge Estates Metropolitan District. Property owners are responsible for the application fee and the District's fees and costs incurred to obtain the well permit. Customers are *NOT authorized* to apply for or modify a well permit and will be responsible for all District costs (including legal fees and costs) incurred to correct any improperly applied for or modified well permits (e.g., name changes).
- IV. Well Design Standards and Specifications. All water wells shall conform with the Water Well Construction Rules set forth in 2 CCR 402-2, unless approval of a variance has been granted by the State Board of Examiners of Water Well Construction and Pump Installation Contractors, and such variance is approved by the Board.

- V. Approval of Well Plans. Prior to beginning any construction activity, the Property owner shall contact the District Manager and obtain drilling and installation specifications. The District shall approve all design and construction plans prior to the commencement of any activity.
 - VI. Inspection. Prior to the issuance of a certificate of occupancy, the Well, pump, appurtenant equipment, and meter (the “Improvements”) must be inspected by the District and dedicated by the Property owner to the District by bill of sale and assignment of warranties.
 - VII. Well Drilling Depth: All wells must be drilled to the bottom of the respective aquifer and shall include an airline for future water level monitoring. The bottom of the airline shall be secured to the down pipe just above the pump. Pumps should be installed as deep as possible within the recommendations of the installer.
 - VIII. Wells may be drilled into the Denver, Arapahoe, or Laramie Fox-Hills aquifers. Contact the District for additional information about obtaining permits for each aquifer.
- B. Service Lines.** The Service Line shall run from the Well located on each Lot to the residence and shall be owned and maintained by the Customer. The District does not assume any obligation nor acquire any liability for damage to the property or any portion thereof caused by or resulting from any such connection to the Well.
- I. Conformance to Rules and Regulations. The size, slope, alignment and materials of construction of a Service Line, and the methods to be used in excavating, placing of the pipe, jointing, testing, backfilling and inspection of a trench shall all conform to the requirements of the Building and Plumbing Codes of Douglas County and other applicable Rules and Regulations of the District.
- C. Water Meter.** Each property owner is responsible for installing the meter setter and associated plumbing to include isolation valves. The cost of the initial meter equipment shall be paid by the property owner. Meter ordering, installation and inspection are as follows:
- I. Ordering. The owner needs to place their meter order with the District at least 6 months prior to when it is needed to ensure adequate availability.
 - II. Installation. The meter may only be installed by the owner’s plumber if the plumber first contacts the District for specific installation instructions for the cellular endpoint antenna. Otherwise, the District will install the meter at the owner’s expense.
 - III. Inspection. Final install of the water meter and endpoint antenna requires District inspection prior to the certificate of owner occupancy, at which time the meter becomes the property of the District.

7.02 Septic Construction

- A. **Septic Systems.** Property owners are responsible for the costs and construction of all septic systems and the appurtenances thereto installed on each Lot in accordance with the County Health regulations and specifications.
- B. **Septic system areas** are to be free of any improvements.
- C. **Engineered septic systems** are required as dictated by site specific soil and percolation tests.
- D. **All septic systems must be installed within the area** shown on the Plat unless approved by Douglas County Health Department.

SECTION 8: DEFINITIONS

Unless the context specifically indicates otherwise the meaning of terms used herein shall be as follows:

- A. **“Act”** shall mean the Federal Water Pollution Control Act (e.g., Clean Water Act of 1977), as amended, 33 U.S.C. 1251 et seq. and subsequent adoption of similar standards by the State of Colorado in § 25-8-101 et seq., C.R.S. (e.g., Colorado Water Quality Control Act).
- B. **“Board”** and **“Board of Directors”** shall mean the governing body of the District.
- C. **“Cistern”** shall mean one of two 30,000-gallon capacity cisterns located on Lots 23 and 44 which are owned and maintained by the District for fire protection purposes.
- D. **“CRE”** shall mean the community of Cherokee Ridge Estates
- E. **“Customer”** shall mean any Person to whom water and sanitary sewer service is provided, be it renter, record owner, corporation, company, individual, etc.
- F. **“District”** shall mean the Cherokee Ridge Estates Metropolitan District.
- G. **“District Agent”** shall mean the Person authorized by the District to act on its behalf.
- H. **“Employee”** shall have the same meaning as “public employee” in Section 24-10-104 (4), C.R.S. as it may be amended from time to time.
- I. **“Improvements”** means the water well, pump, appurtenant equipment, and meter.
- J. **“Lot”** shall mean one of the residential lots platted in Cherokee Ridge Estates Filing No. 1 Subdivision, Douglas County, Colorado.
- K. **“Manager”** **“District Manager”** or **“Community Manager”** shall mean the Manager of the Cherokee Ridge Estates Metropolitan District or a designated representative.
- L. **“Person”** shall mean any individual, entity, firm, company, association, society, corporation, or group.
- M. **“Property Owner”** shall mean the recorded owner, corporation, company, individual, etc.
- N. **“Remote Transmitter”** shall mean the device attached to a water meter to provide data transmission such as a cellular antenna endpoint.

- O. **"Reserves"** with respect to maintaining a maximum standing reserve balance of approximately \$300,000 (+3% annually until 2043), this "reserve" value is the sum of the "Net Income" line for each Fund, plus the General Fund "Emergency", and "Contingency" balances, plus the Reserve Fund "Total Year End Reserves". *The Debt Fund "Required Reserves" (if any) are funds required by lending institutions to be held for the final loan payment and are not to be included in these calculations.*
- P. **"Rules and Regulations"** shall mean the Rules and Regulations of the District.
- Q. **"Septic system"** shall mean an on-site Individual Sewage Disposal System or "ISDS" for each Lot, which is not connected to a common wastewater treatment system.
- R. **"Service Area"** shall mean the area to which the District is authorized to provide water and sanitary sewer services pursuant to its Service Plan.
- S. **"Service Line"** shall mean the pipe, line, conduit, and appurtenances which runs from the Well located on each Lot to the house/buildings.
- T. **"Service Plan"** shall mean the enabling document, pursuant to which the District was organized, dated October 9, 2002.
- U. **"Subdivision"** shall mean the Cherokee Ridge Estates Filing No. 1, Douglas County, Colorado.
- V. **"Water Rights"** shall mean the water rights owned by the District and decreed in Water Court Case Nos. 99CW165 and 98CW402.
- W. **"Water System"** shall mean the individual wells, pumps, appurtenant equipment, and meters installed on each Lot and subsequently conveyed by each property owner to the District by bill of sale for purpose of metering, monitoring, maintaining, operating, repairing, replacing, inspecting, and testing the improvements.
- X. **"Well"** shall mean one or more of the wells authorized for installation by the District's Water Court Decrees and subject to regulation by the State Engineer's Office.
- Y. **"Well Permit"** shall mean the well permit issued by the Colorado State Engineer's Office authorizing the installation of a well in a specific location on each Lot.

SECTION 9: USE OF WATER SYSTEM

9.01 Water Use

- A. The privilege** to take and use water from any source supplied by the District is only by permission and the District reserves the full privilege to determine all matters in connection with the control and use of water. No water Customer in or upon any premises to which water is supplied by the District shall supply water to any other Person or premises within or outside the District without the approval of the District. Nothing herein shall operate to create any vested or proprietary privilege whatsoever, but shall give Persons the privilege to the water service for the purposes specified in these Rules and Regulations. The District has the power to limit the operation of Wells within the decreed pumping limits, and shall have the power to fine, limit, suspend or stop service to excessive water use Customers or for violations of these Rules and Regulations. Any Person violating any provision of these Rules and Regulations shall be subject to the penalties set forth herein and under applicable law.
- B. Irrigation.** The District's Augmentation Plan (Case No. 99CW165) limits the use of Denver aquifer ground water for irrigation in the Subdivision to a total of 32.23 acre-feet per year, which includes 30.30 acre-feet per year for the residential Lots and 1.93 acre-feet per year for the entryways and rights-of-way within the Subdivision. These irrigation demands are based on a unit irrigation demand of 2.50 acre-feet per year, per acre, which is equivalent to the irrigation water demand requirements specified in the Douglas County Water Supply Overlay District. Residential irrigation is limited to 12,000 square feet per home in the Decree and Service Plan. Common area irrigated landscaping within platted tracts and/or outside of Lots within the Subdivision shall not exceed a total area of 0.77 acres.
- C. Cisterns.** The Wells located on Lots 23 and 44 shall be drilled and installed by the project developer at its expense and dedicated to the District upon completion. These Wells will meter residential use and fire cistern use separately. The District shall own and maintain the Service Lines from the Wells to the Cisterns.
- D. Water Rights.** The District owns the Water Rights decreed for the Subdivision in Water Court Case No. 99CW165 and in Case No. 98CW402. The District's main source of water is the Denver Aquifer, along with supplemental water rights to the Arapahoe and the Laramie-Fox Hills Aquifers. The District shall be responsible for the facilities and the ongoing operations, management, maintenance and control of the Water System and water usage pursuant to the provisions of the state approved Augmentation Plan.
- E. Temporary Water Service through Fire Cisterns.** Special written permission from the District is required for temporary water service supplied through the Cisterns.

9.02 Fees and Charges for Water Services

- A. Fee Schedule.** All fees, rates, tolls, charges, and penalties provided for in these Rules and Regulations shall be in the amounts detailed in these Rules and Regulations as amended from time to time.

- B. Monthly Service Charge.** The District may impose a minimum monthly service charge upon each Lot for the provision of water service. The service charge shall be imposed upon the issuance of a certificate of occupancy for each residence.
- C. Unmetered Service Fee.** The District shall have the right to assess a fee for failure to install a water meter at the time of connection of a property. The water service shall be terminated until the meter is installed.
- D. Central Water Service.** The District may at any time connect to a central water service line.

SECTION 10: DISTRICT VIDEO SURVEILLANCE CAMERAS

10.01 Purpose, Management, and Monitoring

- A. Purpose.** The District may make limited use of video surveillance systems to record activities in and around the entry and exit of the front portico. The primary purpose of the video surveillance system is to allow after-the-fact investigation of violations or crimes committed against property, residences, guests, or employees. The system will not be staffed or monitored on a live, continuous, or real time basis.
- B. Installation and Notice.** Video surveillance equipment will be placed in visible locations which present the best surveillance options with respect to desired coverage. Cameras will be positioned so as to not willfully intrude on an owner's property or privacy without express written consent of the owner. Signage shall be erected in conspicuous locations notifying all parties that the area is under video surveillance. Video surveillance cameras shall never be used in areas where residences, guests, or employees would have a reasonable expectation of privacy.
- C. Management of Video Surveillance Systems.** The District is responsible for the management of all video surveillance systems used within or on District property and no other video surveillance system may be installed in these areas without prior District approval.
- D. Video Surveillance Monitoring.** The video surveillance systems are capable of being monitored by the District. However, the District does not view or monitor the video surveillance system on a live, continuous, or real time basis. Generally, surveillance videos will only be reviewed in response to a specific incident.
- E. Video Surveillance Recording.** The video surveillance system utilizes a "triggered event" digital recording system and does not record on a continuous basis. The District is responsible for the management of the video surveillance system and has exclusive control over the video recordings produced by the system.
- F. Storage of Video Recordings.** Recorded video is generally stored for a period of approximately fourteen (14) days and may not be available after fourteen days due to the continuous re-recording of video surveillance based on the storage capacity of the system. Any video associated with a specific security incident or event is generally converted into a permanent video clip and stored for the duration of the investigation. Video clips which could become evidence in civil or criminal proceedings are kept indefinitely unless other direction is given by the District's legal counsel.

10.02 Incidents, Release, Limitations and Liability

- A. Notice of Incident.** If there is a security event at the front entrance, requests for the preservation of a video surveillance recording of the incident, if any, must be made in writing via e-mail to the District Manager. Notice of an incident does not guarantee that the video exists or will be preserved.
- B. Release of Video Recordings.** Recorded video will not be made available directly to residences, guests, employees, or the general public. In the event that a security incident occurs in the areas where video surveillance coverage is available, the District will review the recorded video and make a determination, in its sole discretion, if any video relevant to the incident is available. If the District believes recorded video would assist in the investigation of a crime, the District may, in its sole discretion, contact law enforcement regarding the existence of the video surveillance recording. If relevant video is available, a permanent video clip of the incident will be produced and made available to law enforcement. In addition, the District will provide video recordings in response to a subpoena, court order, or insurance investigation, as required by law.
- C. Limitations of Video Surveillance Systems. Residences, guests, and employees are advised of the following:**
- I. A security officer is not actively watching the video cameras.
 - II. Persons should not have an expectation of being under continuous surveillance when they are in the range of a camera.
 - III. The video surveillance system only covers CRE's front portico entry and exit. A specific camera is designed to capture vehicle license plates entering CRE.
 - IV. Even when camera coverage exists, it may not provide the level of detail necessary to spot suspicious activity or identify criminals.
- D. No Liability of District.** The District does not guarantee that the video surveillance system will capture any or all activity at the front entrance portico or that the video surveillance system will be in working condition at all times or any particular time. Requests for the District to maintain video footage of an alleged crime does not guarantee that the video footage exists or will be maintained, and the District assumes no liability related to the deletion or lack of video related to any particular incident, or subsequent deletion of a video. The District does not actively monitor the video surveillance system and may not be aware of any alleged incident and assumes no duty to investigate or seek notification of any alleged incident. The purpose of the video surveillance system is for the monitoring and protection of District property, and any additional activities captured are incidental to the purpose of the video surveillance system.

SECTION 11: PURPOSE, AND AMENDMENT OF RULES

11.01 Terms and Conditions

- A. Purpose of Rules.** The Board of Directors of the District has promulgated these Rules and Regulations in the exercise of the Board's discretion to provide a tool for management of the District and for the orderly provision of essential services. It is intended that any Person desiring to transact business with the District as a Customer, resident, or property owner of the Service Area, shall comply with these Rules and Regulations. It is further intended that the District's consultants shall utilize these Rules and Regulations as a tool for assuring proper treatment of Persons served by the District and fair responses to issues which confront the District. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the District contained herein, and in supplements or revisions hereto. The Rules and Regulations are available for download from the CRE website at: <http://www.cherokeeridgestates.com>, or may be inspected by any Person at the District offices during regular business hours. A copy of the Rules and Regulations shall be provided to each Lot owner upon request. Hard copies may be purchased from the District by any Person upon payment of the cost of reproduction.
- B. Rules of Construction.** It is intended that these Rules and Regulations shall be construed to affect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. Any dispute as to the interpretation of these Rules and Regulations or as to their application in any given case shall be submitted to the Board of Directors and their decision shall be final. The Board reserves the right to construe any provision hereof in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future.
- C. Amendment/Modification/Waivers.** The Board may amend these Rules and Regulations at any time in its discretion. No notice or public hearings are required for any amendments, modifications or waivers of the Rules and Regulations. The District may waive the application of the Rules and Regulations to its own activities. Supplemental policies of the District may be adopted from time to time in order to assist the Board and its consultants in managing the affairs of the District. The Board shall have the sole authority to waive, suspend or modify these Rules and Regulations. No refusal, failure or omission of the Board or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation here from or from any grant of power, duty or responsibility, or any limitation or restriction upon the Board of Directors or the District by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other Person or entity. Any express waiver shall not be deemed an amendment of the Rules and Regulations. No waiver shall be deemed a continuing waiver.

- D. Acceptance of Service.** Acceptance of service from the District shall constitute acceptance by the Customer of all of the terms and conditions of such service as set forth in these Rules and Regulations, as they may be amended from time to time in accordance with the law. It is the responsibility of any Person utilizing these Rules and Regulations to be aware of all revisions and amendments hereto and to consult with the District regarding the specific circumstances involved and the application of these Rules and Regulations to said circumstances.
- E. Service Conditions.** Service provided by the District is expressly conditioned upon the payment of all fees, rates, tolls, penalties, and charges imposed by the District in accordance with law, and subject to the Rules and Regulations, policies and duly adopted resolutions and actions of the District.
- F. Establishment of Rates, Fees, Tolls, and Charges.** Rates, fees, tolls, penalties and charges of the District and the terms for collection shall be as fixed and established by the Board from time to time. Rates, fees, tolls, penalties, and charges may be changed by the District at any time subject to any statutory required notice. The methods for collection of any rates, fees, tolls, penalties, and charges described in the Rules are in addition to any other remedies or procedures available to the District in law or equity pursuant to any applicable law, regulation, or any of the provisions of these Rules and Regulations.
- I. Perpetual Lien. Pursuant to Section 32-1-1001, C.R.S. , until paid, all fees, rates, tolls, penalties, fines or charges due in accordance with these Rules and Regulations or otherwise allowed by law, and as set or imposed by the District from time to time, shall constitute a perpetual lien on and against the property served in favor of the District. Any such liens may be foreclosed as provided by law and shall take superior priority status as against all other liens which may have attached and have been perfected against any property.
 - II. Payment for Service/Delinquencies/Service Shut-Off. Bills for water service shall be payable upon receipt of each statement of charges due and shall be considered delinquent if not received on or before the due date noted on the statement. Failure to pay any statement of charges due issued by the District may be subject to assessment of late charges and interest at the maximum rate allowed by law. In addition to enforcement by any other lawful means, the District shall be entitled to shut off service to any Customer who fails to pay current water charges and/or any other amount due as detailed in a statement of charges from the District. Any check or other negotiable instrument tendered to the District for payment of rates, tolls, fees, charges, or penalties which is returned to the District and dishonored for any reason whatsoever may be subject to a returned check fee and all applicable late charges and penalties as established by the District.
 - III. Liability for Service. The District shall have the right to assess to any Customer and/or property owner who is delinquent in payment of his or her account all legal, court, administrative and other costs necessary to or incidental to the collection of said account and the costs of collection shall be secured by the perpetual lien referenced above. The owner of the property receiving water or sanitary sewer service is ultimately liable for all fees, rates, tolls, charges, and

penalties associated with the provision of service by the District. The District assumes no responsibility for and is not bound to any agreements regarding the payment of the costs of service, regardless of whether the District is notified of such agreements.

IV. Surcharge for Re-establishment of Service. To reestablish service subsequent to any suspension or shut-off of service, the Customer shall be responsible for the costs of disconnection and reconnection. In addition to any other remedies available, the District shall be authorized to shut off service to any property for which District charges remain unpaid and past due. The Board of Directors shall adopt procedures to be followed in such cases.

G. Liability. No language in the Rules or Regulations shall be constructed as a waiver of any of the protections afforded to the District under the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S. (the “CGIA”). It is expressly stipulated that no claim for damage shall be made against the District by reason of the District or its agents or consultants performing or failing to perform any plan check, construction observation, administration and management, accounting and auditing or legal evaluation and representation nor shall the District be liable in any way by reason of performing such activities.

H. Resolutions. The Board of Directors may from time to time adopt resolutions embodying policies and directives whether or not such resolutions are made a permanent part of these Rules and Regulations.

I. Severability. If any term, condition or provision of these Rules and Regulations shall be declared invalid or unenforceable, the remainder of these Rules and Regulations shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 12: ENFORCEMENT, HEARING, AND APPEALS

12.01 Enforcement

A. Notification of Violation. Any Person who violates any provisions of these Rules and Regulations shall be liable to the District. To affect its powers, the District may enter upon private property for the purpose of inspection and maintenance of facilities and may terminate service to property on which a violation of any of these Rules and Regulations is found to exist.

B. Revocation of Service. Service may be revoked at the discretion of the District Board upon non-payment of fees or charges or upon any violation of these Rules and Regulations. The Customer shall be given not less than ten (10) days advance notice in writing, delivered to the property, of revocation, which notice shall set forth:

- I. The reason for the revocation; and
- II. That the Customer has the right to contact the District and the manner in which the District may be contacted for the purpose of resolving the obligations; and
- III. That there exists an opportunity for a hearing in accordance with these Rules and Regulations.

- C. **If the obligations are not satisfied or a request for a hearing**, accompanied by a deposit equal to the amount of any fees and charges specified in the notice, is not received by the District within ten (10) days, the District shall post a forty-eight (48) hour notice of disconnection. At the end of the notice period, the District shall disconnect the service and the Customer shall be assessed the cost of the disconnection. The Customer's deposit for service, if any, shall be applied against the outstanding obligation. Service will not be restored to any property until all obligations are satisfied and all charges for turning off and restoring service are paid.

12.02 Hearing and Appeal Procedures

- A. **Application.** The hearing and appeal procedures established by this Section only apply to the interpretation, application or enforcement of the Rules and Regulations.
- B. **Initial Complaint - Resolution.** Complaints must be presented in writing to the District Manager concerning the interpretation, application or enforcement of these Rules and Regulations. The Manager shall complete review of the allegations contained in the complaint and take such action and/or make such determination as may be warranted and shall notify the party of the action or determination by mail within thirty (30) days of receipt of the complaint.
- C. **Hearings before the Board.** In the event the Customer disagrees with the determination of the District Manager, the Customer may, within fifteen (15) days from the date of the mailing of the determination, file a written request for a hearing before the Board. The request for a hearing shall set forth with specificity the facts and/or exhibits to be presented at the formal hearing by the Customer. The Board shall hold a hearing on the complaint at the next regularly scheduled meeting held no earlier than twenty (20) days after the filing of the request for a hearing. At the hearing, the District Manager and the Customer shall be entitled to present evidence. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.
- D. **Board's Findings.** The Board shall issue a written decision and shall cause notice of the decision to be hand delivered or sent by certified mail, return receipt requested, to the Customer within forty-five (45) days of the hearing. The decision shall be final and binding upon the District and the Customer and shall constitute the final administrative action of the District.
- E. **Final Determination.** The Board's determination shall be final. In the event of any litigation concerning the Board's decision, the District shall be entitled to recover its costs and attorney fees if it is the prevailing party.