

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 1**

ADOPTING RULES AND REGULATIONS

WHEREAS, the Board of Directors (the “**Board**”) of Saddlehorn Ranch Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, pursuant to § 18-9-117(1), C.R.S., in addition to any authority granted by any other law, the District may adopt such orders, rules, or regulations as are reasonably necessary for the administration, protection, and maintenance of public property under their control, management or supervision, regarding, *inter alia*, the following matters: (i) the preservation of property, grounds and structures; (ii) restriction or limitation of the use of such public property as to time, manner, or permitted activities; (iii) prohibition of activities or conduct on public property which may be reasonably expected to substantially interfere with the use and enjoyment of such places by others or which may constitute a general nuisance; and (iv) necessary sanitation, health, and safety measures); and

WHEREAS, pursuant to § 18-9-117 (2), C.R.S., such limitations or prohibitions must be prominently posted at all public entrances to such property or such notice must be given by an officer or agency, including any agent thereof, or by any law enforcement officer having jurisdiction or authority to enforce the limitations, restrictions, or prohibitions; and

WHEREAS, the Board has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to provide for the preservation of the health, safety, and welfare of residents, property owners, and the public.

NOW, THEREFORE, be it resolved by the Board as follows:

1. Adoption of Rules and Regulations. The rules and regulations attached hereto as **Exhibit A** and incorporated herein by this reference (the “**Rules and Regulations**”) are hereby adopted pursuant to § 32-1-1001(1)(m) and § 18-9-117, C.R.S.

2. Amendment. The District expressly reserves the right to amend, revise, redact, and/or repeal the Rules and Regulations adopted hereby in whole or in part, from time to time in order to further the purpose of carrying on the business, objects, and affairs of the District. The foregoing shall specifically include, but not be limited to, the right to adopt new rules and regulations and/or policies and procedures as may be necessary, in the Board’s discretion.

3. Effective Date. The provisions of this resolution shall take effect as of the date of this resolution.

4. Severability. If any term or provision of this resolution or if any rule or regulation is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

5. Penalties. Violators of any of the Rules and Regulations may be subject to criminal and civil penalties.

a. Criminal Remedies. Pursuant to § 18-9-117 (3)(a) and (b), C.R.S. any violation of the Rules and Regulations is unlawful and violators may be subject to criminal penalties enforceable by authorized law enforcement officers.

b. Civil Penalties. A violation of any of the Rules and Regulations is subject to any and all civil remedies available to the District under Title 32, C.R.S. or other applicable law. The District may collect such penalties, charges, costs and fees by any means authorized by law.

RESOLVED AND ADOPTED DECEMBER 9, 2022.

**SADDLEHORN RANCH METROPOLITAN
DISTRICT NO. 1**, a quasi-municipal corporation
and political subdivision of the State of Colorado

Bill Guman

Bill Guman (Dec 20, 2022 15:32 MST)

Officer of the District

ATTEST:

Jeffrey Book

Jeffrey Book (Dec 22, 2022 15:52 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Blair Dickhoner

General Counsel to the District

Signature Page to Resolution Adopting Rules and Regulations.

EXHIBIT A
Rules and Regulations

RULES AND REGULATIONS

SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3

December 9, 2022

LIST OF APPENDICES

APPENDIX A	SCHEDULE OF FEES AND CHARGES
APPENDIX B	STANDARD DESIGN DRAWINGS
APPENDIX C	FORM OF EASEMENT AGREEMENT
APPENDIX D	FORM OF TEMPORARY CONSTRUCTION EASEMENT

**SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3
RULES AND REGULATIONS**

ARTICLE 1. TITLE, SCOPE AND GENERAL CONDITIONS

- 1.1 TITLE.** These Rules and Regulations shall be referred to herein as the “Rules and Regulations.”
- 1.2 PURPOSE.** The purpose of these Rules and Regulations is to provide for control, management, and operation of the District’s water systems and facilities, including addition, extensions, and connections to such water systems and facilities, and to provide for the administration and enforcement of these Rules and Regulations, as well as applicable State and Federal Laws. The District’s services will be available in accordance with these Rules and Regulations, subject to availability of water supplies and the facilities’ capacity.
- 1.3 PUBLIC HEALTH, SAFETY AND WELFARE.** It is hereby declared that the Rules and Regulations hereinafter set forth serve a public interest and are necessary for the protection of the health, safety, prosperity, security and general welfare of the residents and Property Owners of the District.
- 1.4 SCOPE OF RULES AND REGULATIONS.** These Rules and Regulations shall be treated and considered as the comprehensive rules and regulations governing the operations and management of the District. Any and all prior rules and regulations of the District shall be deemed superseded hereby. The Board of Directors has determined to adopt these Rules and Regulations in order to assist the District, operations, engineering, and management staff in implementing the decisions and policies of the Board. It is intended that any Person desiring to transact business with the District as a Property Owner or Developer of property or a resident within the boundaries of the District shall comply with these Rules and Regulations. It is further intended that the District Manager and the management staff shall utilize these Rules and Regulations as a tool for assuring uniform treatment to Persons within the District and fair response to issues that confront the District. The District Manager shall provide copies of these Rules and Regulations to any Person who requests them. Electronic copies shall be provided at no cost. Paper copies shall be provided for at the then-current copy cost or as otherwise determined by the Board. 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 hereto.
- 1.5 APPLICABILITY.** These Rules and Regulations shall apply to the construction, alteration, removal, or repair of District facilities. These Rules and Regulations shall apply to District contracts, customer/owner contracts, owner/Developer contracts, and private contracts. All work on District water systems shall comply with these Rules and Regulations, including the applicable Standard Detail Drawings in Appendix B.

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1.6 DISTRICT REPRESENTATION. The District may appoint an engineer, construction inspector, manager or District employee, agent or consultant to act on its behalf with respect to these Rules and Regulations.

1.7 RULES OF CONSTRUCTION. These Rules and Regulations are promulgated pursuant to statute 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 these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. 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 from these Rules and Regulations 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 entity. 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 subsequently enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District. 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 subject to these Rules and Regulations now or in the future. In all circumstances, these Rules and Regulations shall be construed in the broadest sense possible to enable the District to perform its functions in accordance with law.

The Rules and Regulations must be complied with by all Persons absent receipt of a proper written waiver approved by the Board. It is the responsibility of each resident and Property Owner to obtain and read the Rules and Regulations of the District as adopted and enforced by the District. No Person shall obtain, by virtue of the Rules and Regulations, any right or cause of action against the District or its management arising as a result of the enforcement or lack of enforcement of the Rules and Regulations by the District.

1.8 CONFLICTS. In case of any conflict between any provision of these Rules and Regulations, the District shall be entitled to resolve such conflict in its own favor at the District's sole discretion, it being the intention of the Board that these Rules and Regulations shall be construed or interpreted by the District in such a manner so as to maximize the ability of the District to govern and manage the District and its facilities.

1.9 GENERAL POLICIES. The District articulates herein its rules, regulations, and policies for the provision of public services and facilities, and for management and operation of the same. From time to time, the Board of Directors adopts official

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policies of the District. On occasion, such policies are reflected in official “resolutions” or “policies” of the Board of Directors. Additional exhibits may be added to these Rules and Regulations from time to time either by modification of these Rules and Regulations or by the addition of new exhibits. Additional policies may also be found in the minutes of the District’s Board meetings. To the extent any policy found in minutes of the Board meetings pre-date and conflict with any resolution of the Board, the resolution shall be deemed to supersede the minutes, unless the Board determines otherwise, after such conflict is brought to the attention of the Board. To the extent policies found in the minutes of meetings post-date resolutions of the District and conflict with such resolutions, the policy stated in the minutes shall be binding unless the Board determines otherwise after such conflict is brought to the attention of the Board. The District shall have the right, at all times, to repeal and re-enact resolutions of the Board unless any resolution specifically states that it is irrepealable. A number of informal policies of the District may exist which are known to the District Manager and the Board of Directors. In any case where a Person has questions about District policies, questions may be directed to the District Manager who has the authority to respond, or who may refer such requests to the Board. In all circumstances, the Board of Directors retains the authority and responsibility for the policies of the District.

- 1.10 ALTERNATE MATERIALS AND METHODS OF CONSTRUCTION.** The provisions of these Rules and Regulations are not intended to prevent the use of materials or methods of construction not specifically prescribed by these procedures. The District will require that sufficient evidence or proof be submitted to substantiate quality and suitability of alternates. Alternate materials or methods shall not be used without written approval of the District.
- 1.11 AMENDMENT, MODIFICATION & WAIVERS.** The Board shall retain the power to amend these Rules and Regulations as it deems appropriate. Neither notice of such amendments nor public hearing shall be required to be provided by the District prior to exercising its amendment, modification or waiver powers. The District has the power to revise its Rules and Regulations from time to time either by formal action of the Board or by implication and has the authority to waive the application of its Rules and Regulations to its own activities, or to the activities of others. Supplemental policies of the District may be adopted from time to time in order to assist the Board and its management staff in managing the affairs of the District. When possible, copies of such policies shall be attached hereto. Additional documents affecting these Rules and Regulations may be added by Board resolution from time to time. The Board, or the District Manager acting on instructions of the Board, shall have the sole authority to waive, suspend or modify these Rules and Regulations. Any Person claiming the benefit of such waiver, suspension or modification shall be required to obtain a written waiver signed by the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver shall be deemed a continuing waiver.

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- 1.12 TESTS.** The contractor shall perform testing as required by these Rules and Regulations. In cases where there is insufficient evidence of compliance with the provisions of these Rules and Regulations, or evidence that any material or construction does not conform to these Rules and Regulations, the District may direct the contractor to perform additional testing as required to demonstrate compliance. Test methods will be as specified by these Rules and Regulations or by other recognized test standards. If recognized and accepted test methods do not exist, the District will determine test procedures.
- 1.13 TESTING.** All testing will be performed by a testing agency approved by the District. A copy of all test reports shall be submitted directly to the District by the testing agency. The contractor shall pay all costs associated with the testing.
- 1.14 LIABILITY.** The liability of the District and its employees is controlled and limited by the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S. The District assumes no responsibility for contractors constructing facilities for private Developers, whether or not the District has consulted with the Developer or inspected any such construction and whether or not such facilities may eventually be conveyed to the District for the maintenance of facilities and for their safety commences only when such facilities are actually conveyed to the District. Consultants to the District, including but not limited to the District Engineer and the District Operator, likewise assume no responsibility for the safety or sufficiency of any construction or work conducted by or for a private Developer. Where the District contracts with any contractor, the particular obligations of the District to that contractor shall be specified in the contract.
- 1.15 PROHIBITED ACTIONS.** No Person shall construct, alter, repair, interfere or improve any District facilities, or permit the same, and such acts shall be a violation of these Rules and Regulations.
- 1.16 EMERGENCY WORK.** Contractors hired by the District to perform emergency work such as repair of pipeline leaks, shall comply with all applicable sections of these Rules and Regulations, including insurance requirements. To ensure that contractors performing emergency work comply with the insurance requirements of these Rules and Regulations, only pre-approved contractors will be allowed to perform emergency work within the District. Contractors performing emergency work shall not be required to obtain a permit prior to performing the work.

END OF ARTICLE 1.

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ARTICLE 2. DEFINITIONS AND ABBREVIATIONS

2.1 DEFINITIONS. Whenever the following terms are used in these Rules and Regulations, they will be defined as follows:

- **Board of Directors** or **Board** shall mean each governing body of Saddlehorn Ranch Metropolitan District No. 1, Saddlehorn Ranch Metropolitan District No. 2, and Saddlehorn Ranch Metropolitan District No. 3.
- **Board of County Commissioners** shall mean the governing body of the County in which the District is located.
- **County** shall mean El Paso County.
- **Developer** shall mean any developer, builder, property owner, resident, user, customer, or party other than the District.
- **District** shall mean each Saddlehorn Ranch Metropolitan District No. 1, Saddlehorn Ranch Metropolitan District No. 2, and Saddlehorn Ranch Metropolitan District No. 3.
- **District Attorney** or **Attorney** shall mean the person or entity engaged by the District to serve as its general legal counsel. Where appropriate and/or applicable, the term “District Attorney” or “Attorney” shall also mean special legal counsel engaged by the District for specialized matters including, but not limited to, water matters, condemnation matters, or litigation matters.
- **District Engineer** or **Engineer** shall mean the person or entity engaged by the District to serve as its engineer.
- **District Manager** or **Manager** shall mean the person or entity engaged by the District to serve as its manager.
- **District Operator** or **Operator** shall mean the person or entity engaged by the District to serve as its operator.
- **Fees and Charges** shall mean those fees, rates, tolls, penalties, and charges assessed by the Board of Directors and set forth in Appendix A of these Rules and Regulations or subsequent resolutions assessing, increasing, decreasing or otherwise changing the fees, rates, tolls, penalties and charges set forth in Appendix A of these Rules and Regulations. Any references in these Rules and Regulations to fees, rates, tolls, penalties or charges, or any

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combination thereof, which are not otherwise defined as Fees and Charges shall have the same meaning as Fees and Charges.

- **Person** shall include any Developer and any Property Owner.
- **Property Owner** shall include all owners of real property, customers, users, residents, leaseholders, and other recipients of District services.
- **Rules and Regulations** shall mean the body of directions, provisions, and requirements contained herein, describing the method or manner of construction, and the quality of materials furnished.
- **Schedule of Fees and Charges** shall mean the schedule of Fees and Charges set forth in Appendix A of these Rules and Regulations or subsequent resolutions assessing, increasing, decreasing or otherwise changing the fees, rates, tolls, penalties and charges set forth in Appendix A of these Rules and Regulations.
- **Standard Detail Drawings** shall mean the standard detail drawings set forth in Appendix B of these Rules and Regulations or subsequent resolutions modifying in any way the Standard Detail Drawings.

2.2 TERMS. Whenever, in these Rules and Regulations, the words “as ordered”, “as directed”, “as required”, “as permitted”, “as allowed”, or words or phrases of like import are used, it will be understood that the order, direction, requirement, permission, or allowance of the District is intended.

The words “approved”, “reasonable”, “suitable”, “acceptable”, “accepted”, “properly”, “satisfactory”, or words of like effect and import, shall mean approved, reasonable, suitable, acceptable, accepted, properly or satisfactory in the judgment of the District.

END OF ARTICLE 2.

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ARTICLE 3. DESCRIPTION OF THE DISTRICT

- 3.1 PURPOSE OF THE DISTRICT.** The District was organized with the authority to provide certain services and facilities to residents and Property Owners within the District as well as to users outside the District's boundaries. The District is a quasi-municipal corporation and political subdivision of the State of Colorado and, as such, exercises certain governmental powers for the benefit of its constituents. Pursuant to its Service Plan, the District has the authority to provide water and storm drainage facilities and services. The District has the power to tax properties within its boundaries and to impose fees, rates, tolls, penalties or charges for services available from or provided by the District. The District derives its power from Colorado law and from its Service Plan. The Service Plan contains general information about the facilities, services, and powers of the District and may be amended from time to time to deal with the evolving needs of the District. The District has the authority to construct facilities and improvements for District services as it deems expedient in accordance with the authority granted to the District in its Service Plan. The District's Service Plan is an "enabling document" granting to the District certain powers and authorities. The Service Plan does not impose upon the District any responsibility which it is not required to accept pursuant to state law or which it does not specifically accept by official decision of the Board.
- 3.2 THE GOVERNING BODY.** The District is governed by an elected Board of Directors. The Board consists of five individuals who are qualified to serve as directors. The Board elects from its membership a president, vice-president, treasurer, and appoints a secretary.
- 3.3 DISTRICT BOARD MEETINGS.** Meetings of the Board of Directors are subject to the Sunshine Law of the State of Colorado and are open to the public. 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 held in accordance with Colorado law and are closed to the general public. Minutes of meetings are prepared for each meeting and, after approval by the Board, are available for public inspection. The District's policy is not to tape record its meetings and it does not attempt to maintain a verbatim transcript of its discussions.
- 3.4 DISTRICT MANAGEMENT.** The District is managed by a professional management staff engaged by the Board. The District Manager oversees the day-to-day administration of the District and operation of District facilities. All employees and consultants of the District serve at the will of the Board. The District Manager operates within approved guidelines established by the Board and

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exercises only that discretion which is granted by the Board as necessary for day-to-day operations and for implementation of Board decisions and policies.

3.5 DISTRICT SERVICES AND FACILITIES. In general terms, the District attempts to provide the water and storm drainage services and improvements within the District's legal boundaries. The District's Service Plan provides a general description of those facilities. Reference is made to the Service Plan for general descriptions of services and facilities, which may be provided by the District. The District has powers of eminent domain to condemn private properties for public use.

3.6 FEES, RATES, TOLLS, PENALTIES AND CHARGES. The District has the statutory authorization to impose fees, rates, tolls, penalties, and charges for services and facilities provided by the District. The failure of a Property Owner or Developer to pay such fees, rates, tolls penalties, or charges creates a perpetual lien on the benefitted property and the District has a statutory right to foreclose on that lien. The District exercises such power for the overall benefit of the District and reserves the right to exercise its discretion on a case-by-case basis in determining whether to claim a lien and foreclose it. Development fees, service charges, miscellaneous fees, and other applicable fees, rates, tolls, penalties, or charges shall be in the amounts stated in the Schedule of Fees and Charges and any fee resolution adopted by the Board of Directors. The Board of Directors may increase or decrease the fees, rates, tolls, penalties, or charges set forth in the Schedule of Fees and Charges at any time pursuant to Colorado law by adoption of a resolution setting forth the same which, upon adoption, unless otherwise provided, shall be deemed to have replaced in its entirety the Schedule of Fees and Charges without further action of the Board of Directors to formally amend the Rules and Regulations. Following efforts to collect overdue payments of any fee, rate, toll, penalty, or charge assessed by the District under these Rules and Regulations and/or Colorado law, the District may certify any unpaid fees to the County Treasurer for collection in the same manner as those for taxes pursuant to the provisions of § 32-1-1101(1)(e), C.R.S. Alternatively, the District may elect to initiate foreclosure proceedings as allowed by § 32-1-1001(1)(j), C.R.S., as amended. The District shall, in each such case, be entitled to assess all legal fees, costs of collection and a foreclosure penalty against the subject property in an amount set forth in the Schedule of Fees and Charges, which penalty shall be payable in full upon assessment and shall be included in the lien then being foreclosed. Payment of said foreclosure penalty and any and all other fees outstanding against the subject property shall be a precondition to the resumption of District services.

3.6.1 COLLECTION PROCEDURES. The procedures for the collection of any outstanding fee, rate, toll, penalty and charge shall be pursuant to the District's then-current Collections Resolution. In the event the District's Collections Resolution is no longer in effect or is otherwise deemed

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invalid, the procedures for the collection shall be in accordance with Colorado law.

3.7 DISTRICT FACILITIES. Systems constructed or accepted by the District shall be operated and maintained by the District pursuant to these Rules and Regulations. Systems constructed by a Person other than the District shall be conveyed to the District in accordance with the provisions set forth herein.

3.7.1 CONSTRUCTION STANDARDS. The Developer agrees to design, construct, and complete the improvements to be conveyed to the District in substantial conformance with the design standards and specifications established and in use by the Colorado Springs Utilities Water Line Extension and Service Standards, as amended, the Colorado Department of Public Health and Environment (CDPHE), and the County, as appropriate, and as approved by the District's Engineer or Operator. The District will use its contract operations personnel to provide observation and review during construction and conduct field reviews and generate written punch lists of any deficiencies found. All District personnel or assigned agents shall have access to the construction site and constructed activity at all times.

3.7.2 ACCEPTANCE OF IMPROVEMENTS. Upon completion of the improvements (or portion thereof which, in the reasonable opinion of the District based upon advice from its engineers and legal counsel, constitutes a discrete subsystem or component of a larger improvement or structure that may be separately acquired), the Developer shall follow the submittal procedures in the Public Improvements Acquisition and Reimbursement Agreement, dated November 4, 2021.

3.8 DISTRICT OWNERSHIP. All improvements constituting any part of the District's system shall be the sole property of the District unless otherwise specifically agreed by the District. Notwithstanding that customers shall be entitled to receive service from the District pursuant to these Rules and Regulations, no legal or equitable ownership in District systems or improvements shall be deemed to exist in favor of any Person or entity other than the District.

3.9 RIGHT OF ENTRY. The District Manager, the District Engineer, the District Operator, employees of the District or other personnel authorized by the District Manager bearing proper credentials and identification, shall be permitted by all Property Owners within the District to enter upon all properties or appurtenances for the purpose of installation, replacement, repair, maintenance, inspection or observation reasonably necessary in connection with the services and facilities provided by the District. The granting of Right of Entry by the Property Owner is

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a condition precedent and a condition subsequent to the provision of services by the District. Refusal to permit such access to District personnel in the performance of their duties may result in discontinuation of services to the property in question, or cause additional charges to the Property Owner for increased costs or damages sustained as a result of refusing the Right of Entry.

3.10 RULES CONCERNING DISTRICT SERVICES AND FACILITIES

3.10.1 ENTITLEMENT TO DISTRICT SERVICES. District services will be provided by the District to all customers subject to these Rules and Regulations. No Person who fails to pay applicable fees and charges or who fails to provide evidence that appropriate fees have been paid for the benefit of such Person shall be entitled to continued service. It shall be incumbent upon the applicant for District services to furnish satisfactory evidence of payment of applicable fees and charges whenever the District requests such evidence. Notwithstanding that a Person has paid appropriate fees and charges for service, no Person shall be entitled to receive continued District services if property taxes or other fees and charges due from such Person have become delinquent. District services shall be suspendable or revocable at the District's discretion upon non-payment of any valid Fees and Charges owing to the District or any other violation of these Rules and Regulations. In the event of non-payment, the Property Owner shall be given not less than five (5) days advance notice in writing of the revocation, such notice to be determined as of the date of mailing.

3.10.1.1 Hearing on Discontinuation of Service. In the event the District enforces its right to suspend or revoke service, the Property Owner may request an informal hearing with the Manager pursuant to the complaint procedures outlined in Section 3.11, below, and such discontinuation of service shall be delayed until the Manager hears and replies to the complaint. If the Property Owner is dissatisfied with the Manager's initial determination, the Property Owner may request a formal hearing as provided for in Section 3.11.3; however, such request for a formal hearing shall not delay immediate discontinuation of service in the District's discretion.

3.10.1.2 Disconnection or Reconnection of Service. Any Property Owner receiving District services may voluntarily discontinue service. Disconnection of service shall require the termination of water service to the property by the Manager or its designee, in accordance with the standards of these Rules and Regulations. Disconnected properties will no longer be subject to monthly service charges commencing on the date of disconnection. Disconnected

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properties shall become immediately subject to any then-current availability of service fees and shall be liable for a prorated share of such fee for the calendar year. Any Property Owner desiring to resume District services shall apply for a Reconnection of Service. The disconnection or reconnection of District services shall be subject to fees provided for in the Schedule of Fees and Charges.

3.10.4 WILL SERVE LETTERS. The County land use planning process requires Developers to obtain a written commitment from the District, commonly known as Will Serve Letters, to provide water services to the property subject to the land use application. The Board shall approve all new Will Serve Letters. Will Serve Letters may contain certain conditions or provisions related to the District's commitment to serve the property based on the level of agreements established with the District. The District will consider a request for service after a meeting with the Developer, receipt and review by the District of the Land Use Plan and any special definition of service needs which may be required by the District. The term Land Use Plan shall refer to any concept plan, preliminary plan, PUD or final plat, depending on the level of County Planning review anticipated. The District Manager may update or revise a Will Serve Letter for any non-substantive changes once it has been originally approved by the Board; provided, however, that any substantive changes to the Will Serve Letter shall be approved by the Board.

3.10.5 District Services to Persons Outside the District Boundaries. Charges for District services to Persons outside the District boundaries shall be determined in the sole discretion of the Board of Directors. It is expected that charges for District services for persons owning property or residing outside the District's boundaries shall equal at least the actual cost of District services, plus, at a minimum, the estimated mill levy payments and other fees and charges for which such property would be responsible if it were included in the District. In every case where the District furnishes services to persons owning property or residing outside the District boundaries, the District reserves the right to discontinue service when, in the judgment of the Board of Directors, it is in the best interest of the District to do so, except as may be limited by written agreement.

3.10.5.1 Notice of Service Discontinuation. In the event the District enforces its right to discontinue service to Persons outside the District's boundaries, the District shall provide 45 days' notice to that Person. The notice shall set forth the date, time and location of a hearing regarding service discontinuation. At the hearing, the Board of Directors shall

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consider all evidence presented regarding the service discontinuation and shall make a determination to discontinue service, continue service with additional conditions or continue service under the existing written agreement, which determination shall be made in its sole discretion.

3.10.6 INCLUSION OR EXCLUSION OF PROPERTY. Owners of property located outside the boundaries of the District may propose inclusion (annexation) of such property into the District. All requests for inclusion of property within the boundaries of the District shall be made pursuant to the provisions of § 32-1-401, *et seq.*, C.R.S., and pursuant to the Service Plan. Persons who own property within the boundaries of the District may seek to have their property excluded from the District. All requests for exclusion of property shall be considered pursuant to the provisions of § 32-1-501, *et seq.*, C.R.S., and pursuant to the Service Plan.

3.10.7 TAMPERING. No person shall alter, obstruct or interfere with the District's facilities or improvements without first obtaining a written authorization from the District in advance of such alteration, obstruction or interference, which written authorization shall be granted by the District in its sole discretion and which may be withheld for any reason deemed reasonable or appropriate by the District in its sole discretion. Any person who violates the provisions of this Section shall be prosecuted to the fullest extent provided by law.

3.10.7.1 Notification to Property Owner of Tampering. Upon discovery that a District facility or improvement has been altered, obstructed or interfered with, the District shall advise the Property Owner of such alteration, obstruction or interference by posting a notice on the property and requesting that such alteration, obstruction or interference be removed, corrected or remedied within forty-eight (48) hours of posting of the notice, or by such sooner date as specified therein by the District due to the particular circumstances involved. If such alteration, obstruction or interference is not removed, corrected or remedied within forty-eight (48) hours (or other specified time period) of the posting of the notice, the District shall remove, correct or remedy the alteration, obstruction or interference and all costs associated therewith shall be charged to the Property Owner. In the event the alteration, obstruction or interference is such that it would be unsafe, unreasonable or otherwise inappropriate for the Property Owner to remove, correct or remedy, then no notice will be posted on the property and the District shall remove, correct or remedy the

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situation in its sole discretion and all costs associated therewith shall be charged to the Property Owner.

3.10.7.2 Penalties for Tampering. Upon discovery that a District facility or improvement has been altered, obstructed or interfered with, the District shall impose a penalty upon the Property in the amount set forth in the Schedule of Fees and Charges. The penalty shall be imposed regardless of whether the alteration, obstruction or interference is cured by the Property Owner within the specified time period set forth in the notice posted on the property. Any administrative costs associated with the tampering and penalties will also be charged.

3.10.7.3 Prosecution for Tampering with a Utility Meter. Pursuant to § 18-4-506.5, C.R.S., any person or persons who, in any manner, alters, obstructs or interferes with any meter provided for measuring or registering the quantity of water passing through that meter without the knowledge and consent of the District commits a class 2 misdemeanor. Further, any person or persons who connects any pipe, tube, stockcock, wire, cord, socket, motor or other instrument or contrivance with any main, service pipe or other medium conducting or supplying water to any building without the knowledge and consent of the District commits a class 2 misdemeanor. The District's Board or Manager shall determine whether to press charges against the person or persons violating these provisions. Any and all costs associated with pressing charges against the person or persons responsible shall be charged to the property.

3.10.7.3.1 Involvement of Law Enforcement. In the event the alteration, obstruction or interference requires access to a Property Owner's property or if the District's Manager or Operator believes the safety of the District's contractors or employees is in jeopardy, the District shall have the County Sheriff accompany the contractor and/or employee to the property to remedy the alteration, obstruction or interference. Any and all costs associated with pressing charges against the person or persons responsible shall be charged to the property.

3.10.8 VIOLATIONS. Any Person violating any of the provisions of these Rules and Regulations shall become liable to the District for any expense, loss or damage occasioned by reason of such violation, and upon non-payment thereof, shall be assessed a penalty in an amount set

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forth in the District's Schedule of Fees and Charges, which penalty shall be a lien upon the violator's property as permitted by § 32-1-1001, C.R.S., as amended, or a lien upon the Property to which the violator was providing services at the time of the violation in question, whichever the District Manager deems appropriate. In the event the District determines to revoke or suspend District services to any Person or entity for violation of any of the provisions of these Rules or Regulations, the District shall not be liable for any claim for damage resulting therefrom.

- 3.10.9 TAX-EXEMPT PROPERTIES AND PAYMENTS IN LIEU OF TAXES (PILOT).** The District provides water facilities and services to all properties within its boundaries. The District has financial obligations to its creditors and residents which it must maintain in order to continue to finance its facilities and, in turn, provide water services to the District's Property Owners. As a result, any properties converting from a taxable status to a non-taxable or tax-exempt status shall be required to enter into an agreement with the District whereby the property pays a fee to the District in an amount equal to or greater than the amount they would have paid had they paid taxes. Such agreement shall be required in order to receive water services from the District.

3.11 HEARINGS

- 3.11.1 APPLICABILITY.** The hearing and appeal procedures established by this Section shall apply to all complaints concerning the interpretation, application or enforcement of the Rules and Regulations of the District as they now exist or may hereafter be amended. The hearing and appeal procedures established by this Section 3.11 shall not apply to complaints arising out of the interpretation of the terms of District contracts or complaints which arise with regard to personnel matters which shall be governed exclusively by the District's personnel rules as the same may be amended from time to time.
- 3.11.2 COMPLAINTS.** Complaints concerning the interpretation, application or enforcement of Rules and Regulations of the District must be presented in writing to the District Manager or such representative as she or he may designate. Upon receipt of a complaint, the District Manager or designated representative, after a full and complete review of the allegations contained in the complaint, shall take such action or make such determinations as may be warranted and shall notify the complainant of the action or determination by mail within fifteen (15) days after receipt of the complaint. Decisions of the District Manager which impact the District financially will not be binding upon the District

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unless approved by the Board at a special or regular meeting of the Board.

3.11.3 HEARING. In the event the decision of the District Manager or his or her representative is unsatisfactory to the complainant, a written request for formal hearing may be submitted to the District Manager or such hearing officer as the District Manager may appoint within twenty (20) days from the date written notice of the decision was mailed. A deposit in an amount set forth in the Schedule of Fees and Charges shall be made with the District along with the request for the hearing. This amount shall be retained by the District to cover the costs of the hearing until the final decision following such hearing. The amount shall be refunded to the complainant if the District Manager renders a final decision in favor of the complainant. Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Rules and Regulations have been met, the District Manager or hearing officer shall conduct a hearing at the District's convenience but in any event not later than fifteen (15) days after the submission of the request for formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations. Decisions of the District Manager which impact the District financially will not be binding upon the District unless approved by the Board of Directors at a special or regular meeting of the Board.

3.11.4 RULES. At the hearing, the District Manager or hearing officer shall preside. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by any person of his or her choice or by legal counsel.

The complainant or his or her representative and the District representatives shall have: the right to present evidence and arguments; the right to confront and cross-examine any person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained. The District Manager or hearing officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.

The District Manager or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer or cancel the interpretation, application and/or enforcement of the Rules and Regulations that are the subject of the complaint. The decision shall be based upon evidence presented at the hearing. The burden of showing

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that the required grounds exist to alter, amend, defer, or cancel the action shall be borne by the complainant.

- 3.11.5 FINDINGS.** Subsequent to the formal hearing, the District Manager or hearing officer shall make written findings and an order disposing of the matter and shall mail a copy thereto to the complainant not later than fifteen (15) days after the date of the formal hearing.
- 3.11.6 APPEALS.** In the event the complainant disagrees with the findings and order of the District Manager at the formal hearing, the complainant may, within fifteen (15) days from the date of the mailing of the findings and order by the District, file with the District a written request for an appeal thereof to the Board of Directors. The request for an appeal shall set forth with specificity the facts or exhibits presented at the formal hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. In response, the District shall compile a written record of the appeal consisting of: (1) a transcript of the proceedings at the formal hearing; (2) all exhibits or other physical evidence offered and reviewed at the formal hearing; and (3) a copy of the written findings and order. The Board shall consider the complainant's written request and the written record on appeal at the next regularly scheduled meeting held not earlier than ten (10) days after the filing of the complainant's request for appeal. Such consideration shall be limited exclusively to a review of the record on appeal and the complainant's written request for appeal. No further evidence shall be presented by any party to the appeal and there shall be no right to a hearing *de novo* before the Board of Directors.
- 3.11.7 BOARD FINDINGS.** The Board of Directors shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be mailed to the complainant within thirty (30) days after the hearing. The Board of Directors will not reverse the decision of the District Manager or hearing officer unless it appears that such decision was contrary to the manifest weight of the evidence made available at the formal hearing.
- 3.11.8 NOTICES.** A complainant shall be given notice of any hearing before the District Manager, the hearing officer or before the Board of Directors by certified mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the complainant shall also be served upon the attorney.

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- 3.11.9 OTHER REMEDIES AVAILABLE AT LAW OR IN EQUITY.** The Board, its District Manager, or District Attorney, each in its direction, shall have all rights and remedies afforded under Colorado law to enforce these Rules and Regulations, including, but not limited to those set forth herein and to pursue all remedies available at law or in equity.

END OF ARTICLE 3.

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ARTICLE 4. CONDITIONS OF THE WORK

4.1 WORKING HOURS. All work completed under these Rules and Regulations shall be performed during regular working hours - 8:00 A.M. to 4:30 P.M., Monday through Friday. The contractor shall not perform work outside of Regular Working Hours or on Saturday, Sunday, or any District holiday without the prior written consent of the District.

4.2 EMERGENCIES. When, in the opinion of the District, an emergency arises due to work under these Rules and Regulations and immediate action is necessary to protect public or private interests, the District may, with or without notice to the contractor or the Developer, perform the required work to mitigate the emergency. The contractor or Developer will pay for the cost of such work. The performance of emergency work by the District shall not relieve the contractor of responsibility for damages resulting from the performance of work under these Rules and Regulations.

In the event of an emergency that threatens loss of life or extensive damage to the work or to adjoining property, the Developer or contractor is authorized to take the necessary action to prevent such loss or damage.

4.3 DAILY CLEANUP. At all times during construction, the contractor shall maintain the site, partially finished structures, material stockpiles and other like areas in a reasonable state of order and cleanliness.

4.4 FINAL CLEANUP. Upon completion of the work, the contractor shall remove from the project area all surplus and discarded materials, rubbish, and temporary structures and shall leave the project area in a neat and presentable condition. The contractor shall restore all work that has been damaged by his/her operations.

The contractor shall inspect the interior of all manholes, vaults and catch basins within the construction limits for construction materials, dirt, stones, or other debris resulting from the activities of the contractor, and shall remove all debris found.

4.5 AUTHORITY OF DISTRICT. The District will have the authority to stop the work whenever it may be deemed necessary by the District. The District will resolve all questions that arise as to the quality and acceptability of materials furnished, work performed, interpretation of the plans and specifications, and acceptable fulfillment of the requirements of these Rules and Regulations.

4.6 AUTHORITY AND DUTIES OF INSPECTOR. The District inspector will inspect and accept or reject all work completed and all material furnished. Inspections may extend to any part of the work and to the preparation, fabrication, or manufacture of the materials. The inspector is not authorized to revoke, alter, or

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waive any requirements of these Rules and Regulations. Notwithstanding the foregoing, the inspector shall be permitted to temporarily modify, change, or amend specific elements of the design drawings in consultation with the District Engineer, the District Operator and/or Manager if certain field conditions dictate such a deviance from the design drawings as may be in the best interest of the District under those specific circumstances.

The inspector shall not act as foreman or perform other duties for the contractor nor interfere with the management of the work performed by the contractor. Instructions or advice given by the inspector will not be binding upon the District or release the contractor from fulfilling the terms of these Rules and Regulations.

The presence or absence of the inspector will not relieve the contractor of the responsibility of complying with these Rules and Regulations.

The inspector will at all times have reasonable and safe access to the work and the contractor shall provide proper facilities for such access. See, Article 3.9, Right of Entry.

4.7 CONTRACTOR'S RESPONSIBILITY FOR WORK. The contractor shall be responsible for controlling and supervising the work. It shall be the responsibility of the contractor to ensure that all work is constructed in accordance with these Rules and Regulations.

4.8 REMOVAL OF UNACCEPTABLE WORK. Work that does not conform to these Rules and Regulations will be considered unacceptable work. Unacceptable work shall be immediately removed and replaced or otherwise corrected by the contractor at its own expense. If the contractor fails to remove and replace the unacceptable work within a reasonable time, the District may, in its sole discretion, remove and replace the unacceptable work, which removal and reparation shall be charged fully to the contractor.

4.9 SCHEDULING OF WORK. Work shall be accomplished in accordance with a schedule approved by the District. Deviations from the approved schedule shall be made only with written approval of the District.

4.10 SAMPLES AND TESTS. Sampling and testing will be in accordance with standard practices unless methods and procedures are otherwise set forth in these Rules and Regulations.

The contractor shall furnish all samples, tests, and reports required by the District to determine compliance of materials with these Rules and Regulations. The contractor may be required to furnish a written statement identifying the origin, composition, and process of manufacture of a material.

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- 4.11 STORAGE OF MATERIALS.** Materials shall be stored in a manner that insures the preservation of their quality and suitability for the work. Materials shall be stored only in locations approved by the District.
- 4.12 DEFECTIVE MATERIALS.** Materials not in conformance with requirements of these Rules and Regulations will be considered defective and will be rejected. Rejected materials shall be removed from the work site within twenty-four (24) hours.
- 4.13 LOCAL LAWS, ORDINANCES AND CODES.** The contractor shall comply with all current federal, state, and local laws, codes, and ordinances pertaining to the work being performed. The contractor shall obtain all necessary permits and approvals prior to commencement of the work.
- 4.14 PUBLIC CONVENIENCE AND SAFETY.** The contractor shall erect the appropriate barricades, signs, or other safety measures, provide for adequate drainage around the work, and take other necessary precautions to safeguard the work and the public.
- 4.15 FIRE HYDRANTS.** Fire hydrants shall remain visible from the street and accessible to the Fire Department at all times. No obstructions shall be placed within ten feet (10') of a fire hydrant.
- 4.16 LOCATION OF EXISTING UTILITIES.** The contractor shall have all underground utilities located by the appropriate utility company prior to commencing work, all in accordance with the Utility Notification Center of Colorado ("UNCC") regulations, §§ 9-1.5-101, *et seq.*, C.R.S., as amended. The contractor shall avoid unnecessary exposure of underground utilities and shall protect underground utilities from damage due to performance of the work. The contractor shall not hinder or interfere with any Person engaged in the protection or operation of underground utilities.

The District will locate existing underground water facilities, including its treated and untreated water lines and water services lines from the treated water main to meter pits. The contractor shall request location of District facilities at least forty-eight (48) hours prior to commencing excavation. Excavation shall not begin until the District has located pipelines and other facilities.

- 4.17 PROTECTION AND RESTORATION OF PROPERTY AND SURVEY MONUMENTS.** The contractor shall prevent damage to public or private property adjacent to the work. The contractor at his/her expense shall restore property damaged by the contractor's operations. At least seventy-two (72) hours prior to commencing work, the contractor shall give written notice to owners of property that may be affected by the contractor's operations.

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The contractor shall protect and preserve existing survey monuments. Monuments disturbed or removed by the contractor shall be referenced and replaced by a Professional Land Surveyor registered in the State of Colorado, at the contractor's expense.

- 4.18 USE OF EXPLOSIVES.** When blasting is permitted, the contractor shall use the utmost care to protect life and property. Blasting will be permitted only when approved in writing by the District. A licensed blasting contractor shall perform blasting.

Excessive blasting or overshooting will not be permitted. The District may order discontinuance of any method of blasting which leads to overshooting, is dangerous to the public, or destructive to property or to natural features.

- 4.19 PROTECTION OF STREAMS, LAKES AND RESERVOIRS.** The contractor shall meet all requirements of the County and the CDPHE. The contractor shall take the necessary precautions to prevent pollution of streams, lakes and reservoirs with fuels, oils, bitumen's, calcium chloride, or other harmful materials. Contractor operations shall be conducted in a manner that prevents or minimizes the release of silt or other materials to drainages, streams, lakes, and reservoirs. An erosion control plan shall be submitted to the District for approval prior to starting work.

- 4.20 DUST CONTROL.** The contractor shall meet all requirements of the County and the CDPHE. The contractor shall take the necessary steps to control dust arising from operations connected with the work. Sprinkling with water or other approved methods shall control dust.

- 4.21 TRAFFIC CONTROL, BARRICADES AND WARNING SIGNS.** A Traffic Control Plan ("TCP") shall be required for all work performed within a road right-of-way. The TCP shall provide safe methods for movement of pedestrians and motorists traveling through the work zone, and a safe work area for all workers engaged in construction activities. The TCP shall show the location, spacing, scheduling and usage of advance warning signs, barricades, pavement markings, and other control devices. All control devices shall be installed and maintained in accordance with County requirements and the *Manual of Uniform Traffic Control Devices* ("MUTCD").

The TCP shall be submitted to the District for approval. Work shall not be commenced until the District approves the TCP.

- 4.21.1 SCALED DRAWING.** The TCP shall include a scaled drawing showing the project area and the streets affected by the project. The drawing shall include the following information:

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- Location and spacing of properly planned traffic control devices.
- The duration of construction activities.
- The name and phone numbers of the contractor's designated traffic control supervisor.
- Special notes or information pertaining to traffic control operations.

The contractor shall be responsible for furnishing, erecting and maintaining traffic control devices required by the approved TCP, throughout the duration of the contract, including periods of suspension. Work shall be properly barricaded and lighted at all times.

4.21.2 CONDITIONS FOR STREET CUTS. When street cuts are required for water facilities construction, the following conditions shall be met to minimize interference with traffic:

- An Underground & Above Ground Utility Permit has been obtained from the County for infrastructure within a County right of way.
- Street service cuts shall be open only between 8:30 a.m. and 4:00 p.m.
- Two-way traffic shall be maintained at all times around the construction area to the extent possible.

4.22 USE OF DISTRICT WATER. The contractor may purchase, when available, reasonable amounts of water from the District for construction purposes. Water shall be obtained at points designated by the District. All water obtained from the District's system shall be in accordance with the Schedule of Fees and Charges. The contractor shall use a hydrant meter with a backflow prevention device if source of water is an existing hydrant. Assembly shall be in accordance with the Standard Detail Drawings set forth in Appendix B, with the meter and backflow device fully supported. Where the source of water is not a hydrant, a backflow device and appropriate meter shall be used.

4.23 MAINTENANCE OF DRAINAGE. The contractor shall not prevent or obstruct the flow of water in street gutters or natural drainages, and shall utilize proper methods to maintain the flow of surface water while work is in progress. Contractor shall prevent flow of sediment into storm sewers and natural drainages.

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- 4.24 INTERRUPTION OF SERVICES.** Before starting work, the contractor shall plan and coordinate for the disconnection or interruption of all services including water, sewer, cable T.V., telephone, gas, and electric power. Disconnections or interruptions shall be made in accordance with the regulations of the utility that controls the supply of the service.

District approval shall be obtained a minimum of forty-eight (48) hours prior to disconnection or interruption of water service. Twenty-four (24) hours prior to the interruption of service, the contractor shall provide written notice to all users whose service will be interrupted. No line shall be shut down for more than a four (4) hour period at one time.

- 4.25 EQUIPMENT OPERATED ON STREETS.** Only pneumatic-tired equipment shall be permitted to operate over paved surfaces. The contractor shall be responsible for damage to the street surface resulting from its operation in accordance with the standards and specifications of the County or other governing body of jurisdiction.

- 4.26 MATERIAL SUBMITTALS.** The contractor shall submit detailed information, specifications and drawings for each type of material or equipment proposed for incorporation into the work. The information submitted shall be in sufficient detail to demonstrate compliance with these Rules and Regulations. Materials and equipment shall not be incorporated into the work until approved by the District.

- 4.27 OPERATION OF DISTRICT SYSTEMS.** Only District personnel shall operate District systems. Developers, contractors, private owners, and other persons shall not operate District facilities including, but not limited to, valves, fire hydrants, pumps, and other system components.

- 4.28 RESTRICTIONS ON EXCAVATIONS FOR SERVICE LINES.** Excavation for installation of service lines to a single structure will not normally be permitted during the period from December 1 through March 31 of each year. The District may adjust the no-excavation period based on actual weather conditions. Persons wishing to perform excavation during this period will be required to furnish the District with a bond in an amount set forth in the District's Schedule of Fees and Charges, as security for repairs which may be required due to damage to the District's existing facilities.

END OF ARTICLE 4.

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ARTICLE 5. APPROVALS AND INSPECTIONS

- 5.1 APPROVAL OF APPLICATIONS.** The application, plans, specifications, insurance certificates and other data submitted by an applicant will be reviewed by the District. If the District finds that the work described in an application conforms to the requirements of these Rules and Regulations and that all required fees have been paid, the application will be approved.
- 5.1.1** When the District approves an application for work for which plans are required, the District Manager or the District Engineer will endorse the plans in writing. The endorsed plans and specifications shall not be changed, modified, or altered without authorization from the District.
- 5.1.2** The approval of an application will not be construed to be an approval of any violation of the provisions of these Rules and Regulations. The approval of an application based on submitted plans, specifications or other data shall not prevent the District from requiring the correction of errors in said plans, specifications and other data, or from stopping construction operations which are in violation of these Rules and Regulations.
- 5.2 APPROVED PLANS.** The contractor shall keep one full-size copy of the District endorsed plans on site at all times during the work. The District shall have access to the contractor's District endorsed plans at all times during the work.
- 5.3 INSPECTIONS.** All construction work covered by these Rules and Regulations shall be subject to inspection by the District.
- 5.3.1** It shall be the responsibility of the Person performing the work to notify the District that such work is ready for inspection. Each request for inspection shall be filed at least 24 working hours before such inspection is required unless otherwise required by these Rules and Regulations. It shall be the responsibility of the Person requesting inspections to provide access for proper inspection of the work.
- 5.3.2** The District will give the contractor written notice of deficiencies noted during an inspection, and may order further construction to cease until all deficiencies are corrected. No partial inspections will be allowed unless prior written approval has been given by the District.
- 5.4 ADDITIONAL INSPECTIONS AND REINSPECTIONS.** The District may make or require additional inspections if necessary to ascertain compliance with the provisions of these Rules and Regulations.

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- 5.4.1** Reinspection fees may be assessed when work requested to be inspected is incomplete, or when work does not comply with these Rules and Regulations.
- 5.4.2** Reinspection fees may also be assessed when approved plans are not readily available to the inspector or for failure to provide access at the scheduled time of inspection. When reinspection fees have been assessed, no additional inspection of the work will be performed until the required fees have been paid.

END OF ARTICLE 5.

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ARTICLE 6. PLANS AND SPECIFICATIONS

6.1 GENERAL. A Registered Professional Engineer, licensed to practice in the State of Colorado, shall prepare plans, computations and specifications for work covered by these Rules and Regulations.

6.2 SUBMITTAL REQUIREMENTS. The District shall review all construction plans for conformance with these Rules and Regulations. Engineering design shall remain the responsibility of the design engineer.

6.2.1 Three (3) paper copies and one (1) electronic copy of the plans, specifications and engineering computations shall be submitted to the District for review. One (1) set of paper documents will be returned with review comments.

6.2.2 Four (4) sets of full-size construction plans shall be submitted to the District for signature. The prints shall be signed and sealed by the design engineer. After signature by the District, two (2) of the signed sets shall be returned to the Developer and the District shall retain two (2) sets. The contractor shall keep one of the sets returned to the Developer on the job for the duration of the project.

6.2.3 Upon completion of the work, the Developer shall submit two (2) sets of annotated as-built construction plans for review by the District. Upon approval of the as-built records by the District, the design engineer shall submit one set of as-built mylars, 4 mil thickness, double matte reversed, 22" x 34" format, and one set of as-built records, signed and sealed by the design engineer.

6.3 GENERAL PLAN REQUIREMENTS. Plans and specifications shall be drawn to scale and shall have sufficient clarity to indicate the location, nature, and extent of the work proposed.

6.3.1 Each set of construction drawings shall include an overall utility drawing showing water, sanitary sewer, and storm sewers included in the project. The overall utility drawing shall show all of the pipe sizes, locations, connections to existing facilities and other pertinent information that would add to the overall understanding of the project.

The following items shall be shown on all plans:

- Title Block (lower right-hand corner preferred).
- Scale (1"=50' horizontal and 1"=5' vertical for plans and profiles).

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- Benchmark, including datum reference.
- Date and revision.
- Name of professional engineer or firm.
- Professional engineer's seal and signature.
- Drawing numbers.
- Statement:

Approved by: _____
Title _____ Date _____

- North arrow.
- Scale.
- Property lines; indicate lots to be served by solid lines; other property lines dotted.
- Ownership and/or subdivision information.
- Street names and easements with width dimensions.
- Existing utility lines (buried) location and depth, water, gas, telephone, storm drain, irrigation ditches, sanitary sewers, and other pertinent details, i.e. houses, curbs, water courses, etc.

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- Vertical and horizontal grids with scales.
- Ground surface existing (dotted) and proposed (solid).
- Existing utility lines where crossed.
- Existing manhole/vault invert/floor and rim elevations.
- Waterline, including top pipe references.
- Crossings of other utilities.

6.6 WATER SUPPLY CONSTRUCTION DETAILS. In addition to the requirements listed above, water supply construction plans shall include the following items:

- Water mains.
 - Diameter (nominal).
 - Length.
 - Materials used and types of joints.
 - Pressure class designation.
 - Location dimensions.
- Fittings.
 - Tees.
 - Crosses.
 - Reducers.
 - Bends.
 - Plugs.
 - Blow-offs.
- Valves.
- Fire Hydrants.

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- Plan, profile and complete details for off-site transmission mains, pump stations, special valves, and vaults, tanks, etc.
- Service connections (meter pits or stub-in terminations).
- Complete material list.

6.7 SPECIFICATIONS AND SUPPORT DOCUMENTATION. The following shall be included with submitted construction plans:

- Reference on plans to District Rules and Regulations.
- Reference on plans to other agency Rules and Regulations that are required or proposed.
- Where reference to other commonly available Rules and Regulations will not suffice, copies of specifications are to be provided.
- Copies of written approval from other affected agencies as required.
- Soils and other test data.

6.8 RECORD DRAWINGS. Record drawings (“as-builts”) shall be prepared and submitted to the District for all construction work performed by a contractor for the District or performed by a Developer. The specific requirements and procedures for each type of project

6.8.1 DEVELOPER FUNDED PROJECTS.

- Submit two (2) sets of paper record drawings to the District for review. The record drawings shall include all changes made during construction to the original approved plans. The changes shall be annotated so that the changes are apparent on the plans. The District will review the drawings and provide comments to be addressed and if revised drawings are required to be resubmitted.
- After the District has reviewed the drawings and found them acceptable, the Developer will submit three (3) sets of full size (22” x 34”) paper copies to the District and a CD with the electronic files in the latest AutoCad and PDF formats of the original approved construction plans and the record drawing plan set.

6.8.2 DISTRICT FUNDED PROJECTS.

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- The contractor shall submit a copy of the approved and issued construction plans with redlined record drawing notes recorded during construction.
- The design engineer for the project shall prepare record drawings from the contractor supplied notes on the plans. The drawings will be reviewed by District staff and comments provided to the design engineer.
- Three (3) sets of paper copies and AutoCad and PDF electronic files will be produced for the project by the design engineer for the project.

END OF ARTICLE 6.

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ARTICLE 7. RESERVED FOR FUTURE USE

END OF ARTICLE 7.

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APPENDIX A

SCHEDULE OF FEES AND CHARGES

SADDLEHORN RANCH METROPOLITAN DISTRICT

SCHEDULE OF FEES & CHARGES

DECEMBER 9, 2022

Water Usage Fees – Per Month:

Metered Account Usage

0– 5,000 gallons.....	\$6.00 / K gal.
5,001 gallons and above	\$8.50 / K gal.

Service Fees - Per Month:

Single Family Residential

$\frac{3}{4}$ "	\$50.00 / month
-----------------------	-----------------

Late Fees	\$15.00/billing period
Bad Check Fee.....	\$45.00
Collections	varies ¹
Tap Transfer Fee	\$200.00
Turn-Off Fee	varies ²
Turn-On Fee.....	\$50.00 ³
Revocation/ Disconnection of Service Fee	\$150.00 ⁴
Posting Fee associated with Disconnection of Service.....	\$50/posting
Trip and Administrative Fee associated with Disconnection of Service	\$100 ⁵
Unauthorized Connection/ Use Fee.....	up to \$10,000.00
Inspection Fees (first half hour per year no charge)	Min. \$50.00/hr.
Meter Reading (Customer requested, other than regularly scheduled reads).....	\$50.00
Plan Revision Fees	varies ⁶
Meter Testing/Certification Fee.....	\$350.00 ⁷
Account Transfer/Real Estate Closing Fee	\$250.00 ⁸
Copy Charges.....	\$1.25 / page

- 1 \$250.00 or 125% of actual cost for collections; whichever is greater.
- 2 TURN-OFF FEE: No charge for one (1) Customer requested Turn-Off per calendar year (accounts not in arrears); each additional requested Turn-Off shall be \$50.00. While the service is Turned Off, both the monthly Service Fee and the Supplemental Operations Fee shall remain in effect.
- 3 TURN-ON FEE: No charge for one (1) Customer requested Turn-On per calendar year (accounts not in arrears); each additional requested Turn-On shall be \$50.00.
- 4 Revocation/Disconnection of Service may or may not include the removal of the meter. During revocation/disconnection, both the Monthly Service Fee and the Supplemental Operations Fee shall remain in effect. Re-establishment of service shall require payment of all fees due and owing the District, including but not necessarily limited to the normally applicable Tap Fees associated with new customers (when a meter has been removed) at the time of service re-establishment.
- 5 The Trip and Administrative Fee associated with the disconnection, or potential disconnection, of water service will be imposed regardless of whether service is actually disconnected, and regardless of whether a trip is actually commenced or completed and is in addition to all other fees, rates, tolls, and charges, associated with the disconnection of service.
- 6 \$75.00, or 125% of actual engineering review costs, if any; whichever is greater.
- 7 Prior to the removal and testing of a meter per the customer's written request, customer shall pay the testing/ certification fee. Based upon its findings, the District in its sole discretion, will take the following action:
 - a) If the meter has registered more water than actually passed through it, by greater than 2%; the current bill will be adjusted proportionately as a credit. In this case, the testing / certification fee shall be returned to the customer.
 - b) If the meter has registered less water than actually passed through it, by greater than 2%; the
District may elect to adjust the current bill proportionately as a debit. In this case, the Meter Testing/certification Fee shall not be returned to the customer.
 - c) Should the meter fail to register in any period, the Customer shall be charged for the average period consumption determined over the preceding two (2) years or such amount as will most closely approximate actual usages, as determined by the District. In this case, the Meter Testing/ certification Fee shall be returned to the customer.
- 8 This fee is paid directly to District's Management Company via the Title Company and loan closing process, without additional cost to the District.

**SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3
RULES AND REGULATIONS**

APPENDIX B

STANDARD DETAIL DRAWINGS

**SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3
RULES AND REGULATIONS**

APPENDIX C

EASEMENT AGREEMENT FORM

UTILITY EASEMENT AGREEMENT
(Saddlehorn Ranch Metropolitan District Nos. 1-3)

For and in consideration of the sum of _____ Dollars (\$____.00) and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, _____, whose address is _____ (the "Grantor"), hereby grants, bargains, sells and conveys to the SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o 2154 East Commons Avenue, Centennial, Colorado 80122 (the "District"), its successors and permitted assigns, a non-exclusive easement (the "Easement") to construct, reconstruct, repair, replace and/or remove certain water improvements and appurtenances thereto (the "Improvements"), in, to, through, over, under and across certain parcels of real property located in El Paso County, Colorado, as more particularly described and shown in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Premises"). Such Easement is granted by the Grantor and is accepted by the District pursuant to the following terms and conditions:

1. The District, its agents, successors and permitted assigns, shall have and exercise the right of ingress and egress in, to, through, over, under and across the Premises for any purpose necessary for the construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements.
2. The Grantor, its successors and assigns, shall not construct or place any structure or building, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or plant any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature on any part of the Premises, except with the prior written consent of the District. Any structure or building, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind situated on the Premises as of the date of this Easement or thereafter, except where the District has consented thereto, may be removed by and at the sole expense of the District in the District's exercise of its rights hereunder, without liability to the District therefor. Any structure or building, street, sidewalk, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind placed on the Premises by Grantor, its successors and assigns, subsequent to the date hereof without the District's consent may be removed by the District at the expense of Grantor, its successors or assigns, without liability to the District.
3. The District shall have the right to enter upon the Premises and to survey, construct, reconstruct, operate, use, maintain, repair, replace and remove the Improvements, and to remove objects interfering therewith, including but not limited to those items placed on the Premises under paragraph 2 hereof. In addition, the District shall have the right to use so much of the adjoining premises of the Grantor, its successors or assigns, during surveying, construction, reconstruction,

use, maintenance, repair, replacement, or removal of the Improvements as may be reasonably required; provided, however, that such activities shall not interfere unreasonably with Grantor's, its successors' or assigns' use and enjoyment of such adjoining premises. The District and its permitted assignees and licensees shall repair any damage caused to any adjoining premises and the improvements thereon, and shall be liable for any injury to person or damage to property, to the extent arising out of the District's, its permitted assignee's or licensee's use of the Easement.

4. The District shall have and exercise the right of subjacent and lateral support to whatever extent is necessary for the operation and maintenance of the Improvements. It is specifically agreed between and among the parties that, except as provided in this Easement, the Grantor, its successors and assigns, shall not take any action which would impair the lateral or subjacent support for the Improvements. The Grantor, its successors and assigns, shall have and exercise the right of subjacent and lateral support to whatever extent is necessary for the operation and maintenance of any improvements on property adjoining the Premises. It is specifically agreed by and between the Grantor and the District that, except as provided in this Easement, the District shall not take any action which would impair the lateral or subjacent support for such improvements. This paragraph is not intended to prohibit the development of the private property located adjacent to the Premises.

5. It is expressly acknowledged and agreed that the District shall have the right and authority to assign the Easement to any appropriate local governmental entity or to any public utility provider, including but not limited to all rights to use, and all obligations associated with, the Easement as are granted to and assumed by the District herein, subject to such assignee assuming the obligations set forth herein. The District shall have the right and authority to grant temporary construction easements to any appropriate local governmental entity or public utility provider for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements, subject to all of the terms and conditions of this Easement.

6. The District agrees that at such time and in the event that the Improvements or Easement described herein are abandoned by the District and any permitted assignee, the Easement will terminate automatically and the real property interest represented by the Easement will revert to the Grantor, its heirs, successors and/or assigns.

7. The Grantor covenants and agrees with the District that the Grantor has full power and lawful authority to grant, bargain, sell, and convey the Easement and that the Premises are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature, except matters of record. The Grantor further promises and agrees to warrant and forever defend the District in the exercise of the District's rights hereunder against any defect in the Grantor's title to the Premises and the Grantor's right to make the grant herein described, except matters of record.

8. Each and every one of the benefits and burdens of this Easement shall inure to and be binding upon the respective legal representatives, administrators, successors and permitted assigns of the Grantor and the District.

9. The Grantor, its successors and assigns, reserve the right to grant further easement

interests in the Premises to other grantees so long as such interests and uses are not inconsistent with, or unreasonably interfere with, the use of the Premises and benefits of this Easement by the District, its successors and permitted assigns, as described herein.

10. The rights and responsibilities set forth in this Easement are intended to be covenants on the Premises and are to run with the land.

11. This Easement shall be recorded in the real property records of El Paso County.

12. This Easement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank].

_____20_____.

GRANTOR:

STATE OF COLORADO)
)
) **ss.**
COUNTY OF)

Subscribed and sworn to before me on this _____ day of _____ 20__, by _____.

[SEAL]

Notary Public

My commission expires _____

President

#1009479v4

DISTRICT NO. 2:
SADDLEHORN RANCH METROPOLITAN DISTRICT
NO.1

President

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

Subscribed and sworn to before me on this _____ day of _____ 20__, by
_____ as President of the Saddlehorn Ranch Metropolitan District No. 2,
a quasi-municipal corporation and political subdivision of the State of Colorado.

[SEAL]

Notary Public

My commission expires _____

President

#1009479v4

EXHIBIT A

The Premises

**SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3
RULES AND REGULATIONS**

APPENDIX D

TEMPORARY CONSTRUCTION EASEMENT FORM

RIGHT OF ENTRY
Saddlehorn Ranch Metropolitan District Nos. 1-3

_____ (the "Grantor") hereby grants permission to the SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3, a quasi-municipal corporation and political subdivision of the State of Colorado (the "Temporary Occupant"), to enter upon the property as shown on **Exhibit A**, attached hereto and incorporated herein (the "Property") for the purpose of constructing and installing various public improvements, including, but not limited to, water facilities and improvements, and all of the activities associated therewith, subject to all the terms and conditions set forth in this Right of Entry. Such Right of Entry shall not be deemed a possessory right, but shall be merely a non-exclusive right of temporary access to the Property.

1. As consideration for this authority, the Temporary Occupant shall pay the Grantor the sum of ____ Dollars (\$____.00), due upon execution of this Right of Entry agreement.

2. The term of this Right of Entry shall commence on _____ and shall terminate at 11:59 P.M. on _____, unless otherwise extended by mutual agreement of the parties hereto.

3. During the term of this Right of Entry agreement, the Temporary Occupant agrees to maintain the Property in an orderly condition. Upon the expiration of this Right of Entry, the Temporary Occupant shall restore the Property to the condition which existed prior to entry of the Temporary Occupant, or to such lesser condition as may be approved by the Grantor, in writing, and shall repair any damage resulting from entry on the Property in connection with this Right of Entry agreement.

4. The Temporary Occupant, at its sole cost and expense, shall comply with all federal, state, local and police requirements, regulations, ordinances and laws respecting the Property and the activities of the Temporary Occupant, conducted thereon, shall be solely responsible for any fines, fees or costs relating to the same, and shall not interfere with other parties entering the Property on behalf of the Grantor.

5. This Right of Entry agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

6. Nothing herein shall be construed as a waiver of the rights and privileges of the Temporary Occupant pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as amended from time to time.

7. This Right of Entry agreement shall be recorded in the offices of the County Clerk and Recorder for the County of El Paso, Colorado.

[Remainder of page intentionally left blank].

#1009479v4

DISTRICT NO. 1:
SADDLEHORN RANCH METROPOLITAN DISTRICT
NO.1

President

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

Subscribed and sworn to before me on this _____ day of _____ 20__, by
_____ as President of the Saddlehorn Ranch Metropolitan District No. 1,
a quasi-municipal corporation and political subdivision of the State of Colorado.

[SEAL]

Notary Public

My commission expires _____

DISTRICT NO. 2:
SADDLEHORN RANCH METROPOLITAN DISTRICT
NO.1

President

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

Subscribed and sworn to before me on this _____ day of _____ 20__, by
_____ as President of the Saddlehorn Ranch Metropolitan District No. 2,
a quasi-municipal corporation and political subdivision of the State of Colorado.

[SEAL]

Notary Public

My commission expires _____

DISTRICT NO. 3:
SADDLEHORN RANCH METROPOLITAN DISTRICT
NO.1

President

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

Subscribed and sworn to before me on this _____ day of _____ 20__, by
_____ as President of the Saddlehorn Ranch Metropolitan District No. 3,
a quasi-municipal corporation and political subdivision of the State of Colorado.

[SEAL]

Notary Public

My commission expires _____

EXHIBIT A

The Property