

CRYSTAL LAKES
WATER AND SEWER ASSOCIATION

OFFICES:

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Crystal Lakes Development Company established protective covenants upon the lands within the Crystal Lakes Subdivision. (Copies are available from the Association office.)

The purpose of this pamphlet is to provide information which may affect your property. It is intended to provide a general explanation of the Crystal Lakes Water and Sewer Association.

NOTE: The estimated costs listed for the Crystal Lakes Water and Sewer Association are only guides and should not be relied on as actual costs. For actual current costs contact the Association. The Association periodically updates its designs and standards to conform with County, State, and Federal guidelines. You should contact the Larimer County Health Department for approval and current information concerning your individual plans for water supply and disposal of wastewater.

Members must also submit their proposed plans to the Association for approval.

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Approved 12/10/88
Revised: April 2001

Preface:

In the event any statements contained herein conflict with the Association's governing documents or adopted policies, the governing documents and adopted policies shall control. The Association's governing documents include Articles of Incorporation and Bylaws, which are included with this document; the Master Declaration recorded in Larimer County, CO on March 29, 1974, in Book 1594 at Page 624; the Amended Master Declaration recorded in Larimer County, CO October 3, 1975, at Reception # 130044; the Amended Decree of the Water Court (Case Nos. W-7631-74 and W-8540-77) recorded in Larimer County, CO January 6, 1986, at Reception # 86001646; and PUBLIC HEALTH COVENANTS appearing upon each of the recorded plats of the 15 Crystal Lakes Filings.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

GENERAL INFORMATION

1. MEMBERSHIP

Membership in the Crystal Lakes Water and Sewer Association is required of the owners of all lots in all 15 Filings of Crystal Lakes with the exception of the original owners of lots which had wells drilled prior to July 18, 1975. Membership is also required of other properties in geographical areas as listed in Water Augmentation Decrees W-7631-74 and W-8540-77.

2. ORGANIZATION

The Crystal Lakes Water and Sewer Association is a non-profit Colorado corporation. A board of five (5) Directors elected from the General Membership governs the business of the Association.

Articles of Incorporation and Bylaws are included in Appendix A and Appendix B, respectively. Other governing documents are as listed in the preface above.

3. RESPONSIBILITIES AND AUTHORITIES

The Crystal Lakes Water and Sewer Association is responsible for enforcing the Decree of the Water Court (Case Nos. W-7631-74 and W 8540-77), the Association Master Declaration, the Association Amended Master Declaration, and Health Covenants appearing on plats. It aids property owners in developing water supply and wastewater facilities and monitors all individual systems in the Association. The Association has developed guidelines and inspection responsibilities for on-lot water supplies and wastewater treatment systems.

4. SERVICES PROVIDED

- A. Construction and maintenance of facilities for storage of Augmentation water (Crystal Lake, Lower Lone Pine Lake, & Upper Lone Pine Lake) in accordance with the requirements of the Water Court Decree and the Amended Master Declaration.
- B. Operation of central water supply and wastewater treatment systems in parts of Crystal Lakes. Those property owners that require use of these systems pay extra fees for that service.
- C. Inspections and monitoring of on-lot systems are provided for the benefit and welfare of the members. The cost of these services is included in the annual assessment to the members.
- D. Hauling of potable water to cisterns on individual lots and wastewater from sealed vaults on individual lots as requested and paid for by the individual lot owner. The rates for hauling services are outlined in Paragraph 11.

Each property owner is responsible for the design, construction, and operation of his/her on-lot facility. Copies of standard details for septic tanks, cisterns, soil filters, wastewater holding tanks and wells can be obtained from the Association at no charge. Any system that is materially different than the standard design must be engineered at the property owner's expense and be approved by the Association and the Larimer County Environmental Health Department. Property owners must contact the Association about water and sewer systems for campers as well as for permanent buildings. Sealed vaults and cisterns to service campers must have the approval of the Association. These vaults and cisterns may later be used for permanent cabins and homes.

5. WATER SUPPLY

With the exception of those few wells drilled prior to July 18, 1975, all water supplies in Crystal Lakes are under the jurisdiction of the Water and Sewer Association. The Association derives its authority from the Water Augmentation Decree Case Nos. W-7631-74 and W-8540-77. A complete copy of the Water Augmentation Decree is available for your inspection or purchase (at copying cost) from the Association office.

Property owners constructing homes have four (4) water supply alternatives:

- A. Where available, a potable water tap from a central water system operated by the Association. Refer to paragraph 8 for a listing of those lots, which have central water service.
- B. A cistern constructed in conformance with the standard details provided by the Crystal Lakes Water and Sewer Association. Water will be hauled from the central public water supply operated by the Crystal Lakes Water and Sewer Association. (A permit is required from Larimer County; see Association office for assistance in processing permit.)
- C. Individual on-site wells constructed in conformance with standard details to be provided by the Crystal Lakes Water and Sewer Association. A well permit is required from the State of Colorado. The well permit application must be processed through the Association's office. Wells must be

metered in conformance with the Water Decree. The purpose of metering is to determine the quantity of augmentation water required for replacement, not for the purpose of charging for the amount of water used.

- D. A cooperative well may be used where two (2) or more owners cooperate in its drilling, construction and maintenance. The Association has developed a sample agreement for people who are interested in this alternative. Permit and metering requirements apply as in 5.C above.

Water supply Alternative A. is only available in part of the 6th and 11th filings.

Water supply Alternative B. will fit any site condition.

Water supply Alternatives C. and D. must meet acceptable standards of the Larimer County Health Department and the Crystal Lakes Water and Sewer Association. These standards will govern direction and distance from wastewater treatment facilities (sealed vaults, septic systems). Slope conditions affecting flow paths and geologic conditions affecting ground water movements are also considered.

6. WASTEWATER DISPOSAL

The Association is responsible for implementing safe wastewater disposal systems in accordance with County, State and Federal regulations and the Water Court Decrees in cases W-7631-74 and W-8450-77.

Property owners building homes will have four (4) wastewater disposal alternatives. Permits for alternatives B., C., & D. below are required from the Larimer County Health Department. The Association office will assist in processing these permits. The Larimer County Health Department will not issue a wastewater disposal permit without written approval from the Association.

- A. Where available, tap to a central sewage disposal system operated by the Association. Refer to paragraph 8 for a listing of those lots which have central sewer system service or availability.
- B. Sealed vaults-Tanks providing complete holding of all liquid waste. Waste will be pumped and hauled by the Crystal Lakes Water and Sewer Association to central treatment facilities at the owners' expense.
- C. Standard on-lot septic tank and soil filter bed. Two standard details (which have prior approval of Larimer County) are available from the Association office.
- D. Evaporative Transpiration systems- Systems designed to allow evaporation of liquids where soil conditions are not conducive to adsorption as in a standard soil filter bed.

Wastewater Alternative A. is only available in part of the 6th Filing.

Wastewater Alternative B. will fit any site or geologic conditions.

Wastewater Alternative C. will be allowed only if standards developed jointly by the Crystal Lakes Water and Sewer Association and the Larimer County Health Department are satisfied. These standards

specify requirements for geologic conditions, topographic conditions, slopes, and the proximity to and direction from individual wells.

Wastewater Alternative D. will be allowed only under special conditions and only after design by a certified Professional Engineer. The Engineer's design must be approved by the Crystal Lakes Water & Sewer Association and the Larimer County Health Department.

7. FACILITIES

The Crystal Lakes Water and Sewer Association presently provides the following central water and wastewater facilities:

A. CENTRAL WATER SYSTEMS

1. 11TH FILING

- a. three (3) wells (55 GPM capacity)
- b. 37,000 gallon total storage in two (2) reservoirs.
- c. fire hydrant
- d. community potable fill station with two hydrants.
- e. water to Wapiti Center, Basecamp, firebarn, trailer park, and eleven (11) individual lots
- f. fill for water hauling to entire development

2. 6TH FILING

- a. one (1) well (lot 76, Filing 6)
- b. one (1) well (lot 90, Filing 6)
- c. 5,000 gallon reservoir
- d. truck fill for water hauling
- e. two (2) potable water fill stations Lot 76 & Lot 127
- f. seasonal water tap to 132 lots

B. CENTRAL WASTEWATER TREATMENT FACILITIES

1. 11th Filing, Tract C (Blackfoot Road)
2. 11th Filing, Tract F (Tami Road) Wapiti Center and Basecamp
3. 6th Filing (Okmulkee Circle and Mohawk Court) Seasonal central sewer tap to 2 lots, year round sewer tap to 29 lots, and central sewer line availability to 35 lots

C. EQUIPMENT

1. 2_ ton truck with sewage tank and pumper equipment (2000 gal capacity)
2. 2_ ton truck with equipment to haul potable water (2000 gal. capacity)
3. Both of the above vehicles are also used by the Crystal Lakes Volunteer Fire Department
4. Cat 416C, 4WD Backhoe
5. _ ton pickup- Service truck
6. _ ton pickup- Supply truck (ownership shared with CLRRRA)

D. WATER AND SEWER BARN (FIRE BARN) ON BLACKFOOT ROAD

E. WATER RIGHTS

1. 1,317 acre feet on Panhandle Creek with 1,017.52 acre feet storage in Panhandle Reservoir (Crystal Lake)

2. 271 acre feet on North Lone Pine Creek for future storage in Upper Lone Pine Lake
3. 10.5 acre feet on North Lone Pine Creek with 10.5 acre feet storage in Lower Lone Pine Lake
4. 26.5 shares in Mountain & Plains Irrigation Company (32.48 effective acre feet at Crystal Lakes)

8. FINANCES

Assessments made by the Association are not designed to generate profit but to operate the Association for the benefit of its members. The Association is financed through the annual assessments of its members and through fees for individual services provided. Fiscal Year 2001-2002 Assessments will be \$90.00 for unimproved lots and \$180.00 for improved lots. Improved lots are those that have water and/or sewer facilities constructed upon the lot.

6TH FILING: Water and sewer system lots are assessed additional fees annually as follows: i.e., \$75.00 (water availability/usage); \$40.00 (sewer fee); and \$60.00 (sewer usage). The lots presently served by the seasonal, central, potable water system are:

Filing 6: Lots 8-159 and Filing 5: Lot 19

The lots presently served by the year round central sewer system are:
29A-31, 33A, 34, 58, 62-71, 73A, 75, 78-81, 83-86, 88A, 109, 110 and 05019.

The lots presently served by the seasonal central sewer system are:
50A, 53

The lots which have central sewer system lines available for future service are:
26, 27, 32, 35-47, 51, 52, 54-57, 59, 60, 72, 76, 77, 82, 87, 90-96

11TH FILING: Annual water fee is \$150.00 (availability/usage).

The lots presently served by this system are: 1, 3-10, 12, 15

9. SPECIAL ASSESSMENTS Beginning in FY 2001-2002 a \$70.00 per property per year special assessment is in affect in order to generate funds for construction of Upper Lone Pine Lake. This assessment is projected to last for 33 years or through FY 2033-2034. You may obtain a copy of the Position Paper, which details the need for this assessment from the Association's office.

As needed, with approval of the Board of Directors.

10. SERVICE CONNECTION FEES

As the need or desire for additional central facilities arises, fees based upon construction and operational costs will be determined by the Board of Directors.

11. HAULING FEES

For paid-up members of the Association:

\$100.00 per load of water hauled and pumped by the Association's pumper truck. The hauling cost of sewage is \$100.00 per load from holding tanks and \$150.00 per load from a septic tank (has leach field). These rates may be changed without notice by the Board of Directors. Refer to attached fee schedule for the current cost of services. The cost to haul sewage from RV's shall be \$30.00 per haul requested.

12. REFERENCES AND SOURCES OF ASSISTANCE

- A. A current list of all approved contractors is available from the Crystal Lakes Water and Sewer Association.
- B. The Crystal Lakes Water and Sewer Association is located at the Wapiti Center (Basecamp) at Crystal Lakes. Address: 300 Tami Road, Red Feather Lakes, CO 80545; Telephone: 970-881-2250; Email address: crystal-lakes@crystal-lakes.org ; FAX: 970-881-2085
- C. The Larimer County Health Department, Address: 1525 Blue Spruce Drive, Ft. Collins, CO 80524; Telephone: 970-498-6700.
- D. Colorado Water Court, Division 1, Address: PO Box C, Greeley, CO 80632; Telephone: 970-351-7300.
- E. State Engineers Office, Address: 1313 Sherman Street, Room 818, Denver, CO 80203; Telephone: 303-866-3581.

13. WATER SAVINGS

A number of water saving devices and methods are available to members. The Association is available for consultation concerning these alternatives, which may reduce water usage by 30% or more.

14. SOME ADDITIONAL BENEFITS AND SERVICES PROVIDED:

- A. Periodic bacteriological, nitrite and nitrate tests on Association operated wells;
- B. Protects water rights, through our attorney, against developers and other water users on the stream system;
- C. Provides the water in Crystal Lake, Lower Lone Pine Lake and Little Lone Pine Lake, Otter, Catawba and Beaver Ponds for recreational use, including fishing and boating (On Crystal Lake only). The Augmentation Plan includes Beaver Meadows which provides a restaurant, horseback riding, ice skating, cross country skiing, etc.;

- D. The existence of lakes has a positive aesthetic effect for the entire area, which enhances property values;
- E. Helps to reduce fire insurance premiums by providing high volume water delivery and two (2) 2,000 gallon tankers in readiness on a year-round basis;
- F. Assures that responsible management of water quality is taking place through the proper handling of sewage, thereby prevents ground water contamination;
- G. Provides recording and reporting to county and state agencies of water usage and augmentation requirements.

15. DISCLAIMER

Standard details for on-lot water and wastewater facilities have been prepared by the Crystal Lakes Water and Sewer Association as a service to property owners building in Crystal Lakes. The materials and construction details presented in the standard details meet minimum standards established by the Larimer County and State of Colorado Health Departments.

If the property owner wishes to deviate from the standard details in a significant way, he/she will be responsible for obtaining appropriate approvals from the Crystal Lakes Water and Sewer Association, the Larimer County Health Department, and other agencies that may be involved.

A limited spare parts inventory for equipment used in the standard details will be stocked by the Crystal Lakes Water and Sewer Association. Water and Sewer Association members may purchase these at cost.

Listing of a supplier or product by the Crystal Lakes Water and Sewer Association does not serve as an endorsement, either expressed or implied, of that product, nor does it serve as a guarantee of its manufacture or serviceability. In like manner, the listing is not meant to imply that other sources are not available. Property owners are at liberty to select any material or equipment they wish if they can show that it meets the minimum standards established by the Crystal Lakes Water and Sewer Association, the Larimer County Health Department, and the Colorado State Health Department. Property owners are encouraged to verify that contractors and suppliers are properly licensed and adequately insured.

The standard details that are available have been approved by the regulatory agencies, but this approval should not be construed as an approval of the construction method or operation and maintenance method associated with the facility. It is the property owner's responsibility to insure that proper construction and operation is provided. Failure of the property owner to require proper installation, construction, and/or operation of an on-lot water and/or wastewater facility may necessitate reconstruction and/or remodeling in order to meet Association and/or regulatory requirements.

APPENDIX "A"
ARTICLES OF INCORPORATION
OF
CRYSTAL LAKES WATER AND SEWER ASSOCIATION

THE UNDERSIGNED natural person, being over the age of eighteen (18) years, hereby establishes a corporation under and pursuant to the Colorado Nonprofit Corporation Act and adopts the following Articles of Incorporation..

ARTICLE 1. NAME.

The name of the corporation is: Crystal Lakes Water and Sewer Association.

ARTICLE 2. DURATION.

The Corporation shall have perpetual existence, unless otherwise dissolved pursuant to law.

ARTICLE 3. PURPOSE AND POWERS.

- 3.1 Purpose. The corporation is organized to transact all lawful business for which corporations may be incorporated pursuant to the Colorado Nonprofit Corporation Act.
- 3.2 Powers. The corporation shall have and may exercise, in furtherance of its purpose, all the powers and privileges now or hereafter conferred by law upon corporations.

ARTICLE 4. MEMBERSHIP.

Each person or entity having an ownership interest in real property serviced by Crystal Lakes Water and Sewer Association, and paying assessments, shall be a member of the Association. Joint owners of a lot shall collectively have one (1) membership and shall be entitled to one (1) vote for each lot.

ARTICLE 5. REGISTERED OFFICE AND AGENT.

The registered agent of the corporation is Richard G. Rosecrans and the registered office of the corporation is located at 300 Tami Road, Red Feather Lakes, Colorado 80545.

ARTICLE 6. BOARD OF DIRECTORS.

- 6.1 Minimum Number. The Board of Directors shall consist of not less than three (3) persons. Subject to such limitation, the number of directors shall be fixed by the bylaws.

6.2 Initial Board. The initial board of Directors shall consist of the following persons, who shall serve until the first annual meeting of the members or until their successors shall be elected and qualified:

<u>Name</u>	<u>Address</u>
Raymond J. Williams	9721 West 87 th Avenue Arvada, Colorado 80008
Donald St. John	2915 South Clermont Denver, Colorado 80222
Roy Tyler	4025 South Jason Englewood, Colorado 80110
Lyle Farmer	3602 Duff Avenue Cheyenne, Wyoming 82001

ARTICLE 7. INCORPORATOR.

The incorporator is:

Robert W. Brandes, Jr.
110 East Oak Street
Post Office Box 469
Fort Collins, Colorado 80522

ARTICLE 8. MISCELLANEOUS.

- 8.1 Transactions with Directors and Officers. No contract or other transaction between the corporation and any person, firm, partnership, corporation, trust, joint venture, syndicate or other entity shall be in any way affected or invalidated solely by reason of the fact that any director or officer of the corporation is pecuniarily or otherwise interested in, or is a director, officer, member, employee, fiduciary, agent or member of such other entity, or solely by reason of the fact that any officer or director, individually or through any entity in which such director or officer is any way interested, may be a party to or may be interested in a contract or other transaction with the corporation.
- 8.2 Amendment. The corporation reserves the right to amend these Articles from time to time in any manner now or hereafter permitted by law.

IN WITNESS WHEREOF, the undersigned, being the incorporator designated in the foregoing Articles of Incorporation, has executed these Articles in duplicate this 26th day of January, 1987.

Incorporator:

(original signed) .
Robert W. Brandes, Jr.

STATE OF COLORADO 1
 1 ss.
County of Larimer 1

I, Pamela A. VanDenBerg, a Notary Public, hereby certify that on the 26th day of January, 1987, personally appeared before me, Robert W. Brandes, Jr., who being by me first duly sworn declared and acknowledged that he was the person who signed the foregoing Articles of Incorporation as his free and voluntary act for the uses and purposes therein set forth and that the statements therein contained are true.

Witness my hand and official seal

My commission expires: 4-25-87---

(Pamela A. VanDenBerg)
Notary Public

APPENDIX “B”
BY-LAWS
OF
CRYSTAL LAKES WATER AND SEWER ASSOCIATION

ARTICLE I

- Section 1. Name. The name of the Corporation is Crystal Lakes Water and Sewer Association, hereinafter sometimes referred to as the “Corporation.”
- Section 2. Registered Office and Registered Agent. The address of the registered office of the Corporation is 300 Tami Road, Red Feather Lakes, Colorado 80545. The name of the registered agent at such address is Richard G. Rosecrans.
- Section 3. Memberships. Each person or entity having an ownership interest in real property serviced by Crystal Lakes Water and Sewer Association, and paying assessments, shall be a member of the Association. Joint owners of a lot shall collectively have one (1) membership and shall be entitled to one (1) vote for each lot.
- Section 4. Seal. The Seal of the Corporation shall be as impressed hereon:

ARTICLE II

Meetings of Shareholders

- Section 1. Place of Meetings. Meetings of the shareholders of the Corporation shall be held in such place as determined by the Board of Directors, within the state of Colorado.
- Section 2. Annual Meetings. The annual meeting of the shareholders shall be held at such time as determined by the Board of Directors between April 1, of each year and August 31, of each year. It shall not be determined to be an unlawful or illegal meeting if such meeting be held on a legal holiday. Failure to hold an annual meeting of the corporation shall not work a forfeiture or dissolution of the corporate charter.
- Section 3. Special Meetings. Special meetings of the shareholders may be called by the President, the Board of Directors, or the holders of not less than 30% of all shares entitled to vote.
- Section 4. Notice of Meetings - Waiver. Notice of all meetings of shareholders of the Corporation, both regular and special, shall be given in accordance with the Colorado Corporation Code.
- Section 5. Voting at Meetings.
- a. Voting Rights. Every shareholder or unit of the Corporation shall be entitled to one vote. Cumulative voting shall not be allowed. Only active, paid-up members shall be entitled to vote at meetings of the Association. Voting may be by voice vote, but twenty (20) members shall have the right to a roll call vote. Memberships in the Association shall be determined as being one (1) vote for each lot currently being serviced by either water and/or sewer by the facilities of the

Association. Ownership of lots in more than one name shall entitle the owners of said lot to only one (1) vote.

- b. Quorum. The number constituting a quorum for all membership meetings shall be the number present provided due notice has been given to the membership, (due notice shall mean a notice mailed at least 30 days prior to meeting.)
- c. Proxies. Voting by proxy shall be permitted at all Association Annual and Special meetings, subject to the policies established by the Board of Directors. (Amended by Board action March 9, 1991.)

ARTICLE III

Board of Directors

Section 1. Number and Qualifications. The duties and affairs of the Corporation shall be managed by the Board of not less than three (3) nor more than seven (7) Directors who need not be residents of the state of Colorado nor shareholders of the Corporation, nor users thereunder. Until further resolution of the Board of Directors, the Board shall consist of five (5) Directors.

Section 2. Election and Term. Annually the members shall elect directors to hold office for a two year term. The terms shall be staggered. Each director shall hold office for the term for which he is elected and until his successor shall be elected and qualified. (Amended by Board action May 17, 1997.)

Section 3. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4. Place of Meetings. Meetings of the Board of Directors may be held within or without the state of Colorado at such place as is designated in the notice or waiver of notice thereof.

Section 5. Annual Meetings. The Board of Directors shall meet each year immediately after the annual meeting of shareholders for the purpose of organization, election of officers, and consideration of any other business that may be properly brought before the meeting. No notice of any kind to either old or new members of the Board of Directors for such annual meeting shall be necessary.

Section 6. Other Meetings. Other meetings of the Board of Directors may be held upon notice by letter, telegram, cable, or radiogram delivered or mailed not later than during the third day immediately preceding the date for such meeting, or by word of mouth, telephone, radiophone, received not later than during the second day immediately preceding the day for such meeting, upon the call of the president or secretary of the Corporation, at any place within or without the state of Colorado. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to such notice whether before or after the time of such meeting and shall be equivalent to the giving of such notice. Attendance of a Director at such meeting shall constitute a waiver of notice thereof except where a Director attends a meeting for the express and announced purpose of objecting to the transaction of any business because such meeting is not lawfully convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice, or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of Directors fixed by this code of By-laws shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at such meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Removal. Any director may be removed from office either with or without cause, at any time, and another person may be elected to his place to serve for the remainder of his term at any special meeting of shareholders called for this purpose by a majority of all of the shares of stock outstanding and entitled to vote. If the notice calling such meeting so provides, the vacancy caused by such removal may be filled at such meeting by a vote of a majority of the shareholders present and entitled to vote for the election of Directors. In case any vacancies so created shall not be filled by the shareholders at such meeting, such vacancy may be filled by the Directors as herein before provided.

Section 9. Executive Committee. The Board of Directors shall have the authority by resolution adopted by a majority of the whole Board to designate two (2) of their number as an executive committee with all powers permitted by the Colorado Corporation Laws.

ARTICLE IV

Officers

Section 1. Officers. The officers of the Corporation shall consist of a President, Secretary, Treasurer, and as many Vice Presidents and such other officers and assistant officers and agents as may be deemed necessary by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. Officers need not be directors of the Corporation.

Section 2. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, increase in the number of offices of the Corporation, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until his successor is chosen and qualified.

Section 3. President. The President shall be the Executive Officer of the Corporation and shall exercise detailed supervision over the business of the Corporation and over its several officers, subject however, to the control of the Board of Directors. The President shall preside at all meetings of shareholders and directors and discharge all the duties which devolve upon a presiding officer. The president shall have full authority to execute proxies in behalf of the Corporation, to vote stock owned by it in any other corporations and to execute, with the Secretary, powers of attorney appointing other corporations, partnerships, or individuals the agent or agents of the Corporation all subject to the provisions of the Corporate Laws of the State of Colorado, then in effect, and the Articles of Incorporation of this Corporation and this Code of By-laws. In general the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 4. Vice President. Vice Presidents shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as this Code of By-laws may require or the Board of Directors may prescribe.

Section 5. Secretary. The Secretary shall attend all meetings of shareholders and of the Board of Directors and shall keep, or cause to be kept, in a book provided for the purpose a true and complete record of the proceedings of such meetings and shall perform a like duty for all standing committees appointed by the Board of Directors, when required. He/she shall attend to the giving and serving of all notices of the Corporation and shall perform such other duties as this Code of By-laws may require or the Board of Directors may prescribe.

Section 6. Treasurer. The Treasurer shall be the legal custodian of all money, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He/she confers with the accountant and Manager whenever he/she believes it desirable for clarification on expenses, income and investment. He/she makes reports to the Board at monthly and special meetings and at the annual meeting of property owners concerning finances of the Association and performs such other duties as this Code of By-laws may require or the Board of Directors may prescribe.

Section 7. Delegation of Authority. In the case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient the Board of Directors may delegate the powers and duties of such officer to any other officer or to any Director or employee of the Corporation for the time being.

Section 8. Removal. Any officer may be removed by the Board of Directors with or without cause and without prejudice to contract rights, if any. Election or appointment of any officer to office shall not, of itself, create contract rights.

Section 9. Indemnification of Officers. The Board of Directors may indemnify any corporate officer, director, employee or agent for any loss he/she may sustain by virtue of his/her acting in a representative capacity.

ARTICLE V

Committees

Section 1. Nominating Committee. The Nominating Committee shall nominate candidates for the Board of Directors and for the Nominating Committee for the succeeding year. Said Nominating Committee shall consist of three (3) members elected by the Board of Directors. Said Nominating Committee shall submit a list of sufficient number of nominees for the Board of Directors for the new year. Submission shall be at the annual meeting. Nothing herein shall preclude or prohibit nomination to be made from the floor by any person entitled to vote.

Section 2. Rules Committee. The Rules Committee shall be responsible for the preparation of rules of safety, health, and conduct in connection with the operation of the Association facilities and shall see that the rules and regulations of the Association are enforced.

ARTICLE VI

Miscellaneous

Section 1. Indemnification of Officers. Each person who acts as a director or officer of the Association, or any agent of the Association given privileges by the Board of Directors, shall be indemnified by the Corporation against the expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit or proceeding in which he/she has been made a party by reason of his/her being or having been a director or officer of the Corporation, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and accept any sum paid for the Association in settlement of an action, suit or proceeding based upon the gross negligence or willful misconduct in the performance of his/her duties. The right of indemnification provided herein shall insure to each director and officer, or the person referred to herein whether or not he/she is a director or officer at the time, the cost or expenses are imposed or incurred and in the event of his/her death shall extend to his/her legal representatives.

Section 2. Interpretation. Any question as to the meaning or proper interpretation of any provision of the By-laws shall be determined by the Board.

Section 3. Amendments. These By-laws may be amended by two-thirds (2/3) vote of the members present and voting at any meeting of the Association providing at least five (5) days notice of such proposed amendment or amendments shall be given to each membership or sent by regular mail to the address provided by the Association by each membership. These By-laws may also be amended by two-thirds (2/3) vote of the total membership of the Board of Directors.

ARTICLE VII

Notice

All notices provided by the statutes of the State of Colorado and/or these By-laws may be given to such address as is provided to the Association by each stockholder. It shall be the responsibility of the stockholder to provide the Association with his/her current address. Any notice sent by regular mail to said membership shall be deemed made when deposited in the United States mail, postage prepaid. No notice shall be required to be sent by certified or registered mail.

The members of the Board of Directors of Crystal Lakes Water and Sewer Association adopt and ratify the above Code of By-laws this 1st day of May, 1997.

Attest as a True Copy this 1st day of May, 1997.

(original signed)

Barbara J. Rosenbrock, Secretary