

CRYSTAL LAKES

WATER AND SEWER ASSOCIATION

PROPERTY OWNERS' HANDBOOK

Crystal Lakes Water & Sewer Association is one of three entities (CLWSA, CLRRA, & CLFPD) which govern the Crystal Lakes area. For additional information concerning rules and regulations which may affect them, property owners should also consult the Crystal Lakes Road & Recreation Association Property Owners' Handbook, the CLVFD Fire Permit Policy and the Crystal Lakes Firewise Community Plan

August 21, 2010

OFFICES:

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NOTES:

All land located within the boundaries of the Crystal Lakes Water Augmentation Plan, including but not limited to Crystal Lakes Filings 1-15, is subject to recorded covenants, which affect property use and provide for the assessment of dues and fees. Copies are available from the Association office.

The purpose of this pamphlet is to provide information which may affect your property and describe services provided by the Crystal Lakes Water and Sewer Association. 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, the Master Declaration recorded March 29, 1974, in Book 1594 at Page 624; the Amended Master Declaration recorded October 3, 1975, at Reception #130044; the Amended Decree of the Water Court (Case Nos. W-7631-74 and W-8540-77) recorded January 6, 1986, at Reception #86001646; and PUBLIC HEALTH COVENANTS appearing upon each of the recorded plats of the Crystal Lakes Filings 1-15.

Estimated costs for facilities or improvements described herein 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 Department of Health and Environment for approval and current information concerning your plans for water and/or wastewater facilities for your property. Members must also submit their proposed plans to the Association for approval.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

GENERAL INFORMATION

1. MEMBERSHIP

Membership in the Crystal Lakes Water and Sewer Association (CLWSA) is required for all residential lots or tracts located within the boundaries of the Crystal Lakes Water Augmentation Plan (Augmentation Plan), including but not limited to Crystal Lakes Filings 1-15 with the exception of the original owners of lots who 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 Colorado not-for-profit corporation. A board of five (5) Directors elected from the General Membership governs the business of the Association. The Association's governing documents include Articles of Incorporation and Bylaws, the Master Declaration recorded March 29, 1974, in Book 1594 at Page 624; the Amended Master Declaration recorded October 3, 1975, at Reception #130044; and the Amended Decree of the Water Court (Case Nos. W-7631-74 and W-8540-77) recorded January 6, 1986, at Reception #86001646 of the Larimer County records.

3. RESPONSIBILITIES

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 recorded 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. Properties served by central systems are assessed additional use fees for these services.
- C. Inspections and monitoring of on-lot systems for the benefit and welfare of the Association members. The cost of these services is generally included in the annual assessment paid by all 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. Please see the current Crystal Lakes Associations' Dues and Fees Schedule

Each property owner is responsible for the design, construction, and operation of their own on-site 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 materially differs from the standard design must be engineered at the property owner's expense and be approved by the Association and the Larimer County Department of Environmental Health. 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 and Larimer County Department of Environmental Health. These vaults and cisterns may later be used for permanent cabins and homes.

5. WATER SUPPLY

With the exception of a small number of wells drilled prior to July 18, 1975, on properties not transferred after that date, 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 in 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 (parts of Filings 6 and 11), by 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 water supply operated by the Crystal Lakes Water and Sewer Association. (A permit is required from Larimer County. Contact the 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 joint well may be used by two or more properties where the owners cooperate in constructing and/or maintaining the well. **Joint wells require approval of the Colorado Division of Water Resources and Crystal Lakes Water and Sewer Association. Members wishing to utilize a joint well are cautioned to seek legal counsel regarding the advisability of entering into a joint well agreement.** Joint well agreements must be submitted for review by CLWSA and must include provisions indemnifying the Association against liability and acknowledging that the Association will not be responsible for enforcing the terms of the agreement or arbitrating disputes between the parties. Further information concerning potential problems associated with joint well agreements and the contractual terms required as a condition of Association approval can be obtained from the Association office. Permit and metering requirements apply as in 5.C above.

(Revised 11-15-08 by CLWSA Board action)

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 Department of Environmental Health, State of Colorado Division of Water Resources and CLWSA. 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 approving the Augmentation Plan.

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

- A. Where available (part of Filing 6), by 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 providing complete holding of all liquid waste. Waste will be pumped and hauled by CLWSA to central treatment facilities at the owner's expense.
- C. Standard on-site septic tank and soil filter bed. Two standard design plans previously approved by Larimer County for sites meeting certain minimum requirements are available from the Association office.
- D. Evaporative Transpiration System – A system 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 CLWSA and the Larimer County Department of Environmental Health are satisfied. These standards specify requirements for geologic conditions, topographic conditions, slopes, and the proximity to and direction from individual wells. Depending upon specific conditions, engineered systems may be required.

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 Department of Environmental Health.

7. FACILITIES

CLWSA maintains and operates the following water and wastewater facilities:

- A. Water Storage Facilities:
 - 1. Panhandle Reservoir (Crystal Lake)
 - 2. Lower Lone Pine Lake
- B. Central Water Systems:
 - 1. 11TH FILING
 - a. two (2) wells (55 GPM capacity)
 - b. 37,000 gallon total storage in two (2) underground reservoirs.
 - c. fire hydrant
 - d. community small volume (50 gallons maximum) potable fill station with two spigots

- e. large volume potable fill station available 8 a.m. – 3 p.m. on days office is open to higher capacity users for an annual or per use fee
- f. water to Wapiti Center, Basecamp, fire barn, trailer park, and twelve (12) individual lots, 8 improved taps and 4 unimproved taps.
- g. fill for water hauling to entire development

2. 6TH FILING

- a. three (3) wells (Lot 76, Wells A& B, and Lot 90)
- b. 10,000 gallon reservoir
- c. truck fill for water hauling
- d. two (2) potable water fill stations Lot 76 & Lot 127
- e. seasonal water tap to 128 lots

C. Central Wastewater Treatment Facilities:

- 1. Up-flow digester Tract C, Filing 11 (Blackfoot Road)
- 2. Up-flow digester, Tract F, Filing 11 (Tami Road) serving Wapiti Center and Basecamp
- 3. Up-flow digester in Filing 6 (Okmulkee Circle and Mohawk Court) providing seasonal central sewer tap to 3 lots, year round sewer tap to 54 lots, and central sewer line availability to 8 lots

D. Equipment:

- 1. 2½ ton truck with sewage tank and pumper equipment (2000 gal capacity)
- 2. 2½ ton truck with equipment to haul potable water (2000 gal. capacity)
- 3. Cat 416C, 4WD Backhoe
- 4. 1986 4-Wheel-Drive GMC Jimmy
- 5. ¾ ton pickup- Supply truck (ownership shared with CLRRA)

E. Buildings: 2160 ft² water and sewer building on Blackfoot Road

F. 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

The Association is financed through the annual assessments of its members and use fees for individual services provided. Assessments for each Fiscal Year are listed in the current Crystal Lakes Associations' Dues and Fees Schedule. Improved lots include any property with water or wastewater facilities or a habitable dwelling substantially under construction as of May 1. Each lot is also subject to a special assessment of \$70.00 per year for the development and construction of an additional water storage facility (dam) to meet the Water Augmentation Plan requirements. Rates are subject to change by the Board of Directors without notice. (CLW&SA Board, minutes August 21, 2010)

6TH FILING: Properties served by central water and/or sewer systems are assessed additional fees annually as listed in the current Crystal lakes Associations' Dues and Fees Schedule: water service to property with cabin; water service to lot; sewer service to lot with tap; sewer availability to lot. Rates are subject to change by the Board of Directors without notice. (CLW&SA Board, minutes August 21, 2010)

The lots presently served by the seasonal, central potable water system are:

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

If special conditions are met, wells may be drilled on lots served by the 6th filing water system. See Exhibit I for details.

The lots presently served by the year round central sewer system are:

26, 27, 29A-31, 32, 33A - 42, 44, 46, 48, 51, 52, 54, 55A, 57 – 66, 68 - 72, 73A, 75, 76, 78-81, 83, 84A, 85, 86, 88A, 91, 92, 94, 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:

39, 43, 45, 47, 52, 59, 77, 93

11TH FILING: Annual water fee is provided in the Crystal Lakes Associations' Dues & Fees Schedule (availability/usage).

The lots presently served by this system are: 1, 3-10, 12, 13 and 15

9. SPECIAL ASSESSMENTS

Beginning in FY 2001-2002 a \$70.00 per property per year special assessment was implemented to generate funds for construction of Upper Lone Pine Lake. This assessment is projected to continue for 33 years or through FY 2033-2034. An explanation of the need and basis for this assessment is provided in a Position Paper approved by the Board of Directors and available from the Association office.

Additional special assessments may be approved by the Board of Directors as needed.

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 Association members whose dues and fees are paid:

- A. There is a per load fee for water delivered by the Association. If water must be pumped to a cistern (no overflow/tank not visible), there is an additional fee.
- B. The fee for hauling wastewater is a per load from holding tank/vault and a per load from a septic tank (has leach field). There is an additional service fee if a sealed vault is not equipped with a quick connect. The cost to pump a Porta-Potty is per haul.
- C. There is a fee to participate in the Large Volume Water Fill program per fiscal year. Members of the 6th Filing Community Water System pay a different fee per fiscal year to participate in the Large Volume Water Fill program.

Rates are subject to change by the Board of Directors without notice. Please refer to the current Crystal Lakes Associations' Dues & Fees Schedule. (CLW&SA Board, minutes August 21, 2010)

12. REFERENCES AND SOURCES OF ASSISTANCE

- A. A current list of 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 Department of Health and Environment, Address: 1525 Blue Spruce Drive, Ft. Collins, CO 80524; Telephone: 970-498-6700; Website: www.co.larimer.co.us/health/.
- 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.
- F. Colorado Foundation for Water Education, P.O. Box 300158, Denver, CO 80203; Telephone 303-377-4433; Website: www.cfwe.org.

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. ADDITIONAL BENEFITS AND SERVICES PROVIDED BY CLWSA:

- A. Provides periodic bacteriological, nitrite and nitrate tests on Association operated wells;
- B. Protects water rights, through regular legal review of applications by other parties 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. Enhances property values by maintaining lakes and dams built to meet the requirements of our water augmentation plan;
- E. Helps to reduce fire insurance premiums by changing the ISO rating to 9 and to improve fire protection 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 preventing 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 Department of Health and Environment, 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 Department of Health and Environment, 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 provided by the Association have been approved by appropriate 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.

16. SWIMMING ADVISORY

It is unsafe to swim in the lakes (reservoirs) at Crystal Lakes for the following reasons:

- A. Hypothermia: the water is never warmer than 55 degrees.
- B. Undertow: the rush of released water through the gates at the bottom of the dams creates a very dangerous suction; and
- C. Fishhooks and tangled fishing lines present hazards.

17. BOAT STORAGE POLICY

As of July 1, 2005, the following policy is in effect concerning the storage of any boat (this includes but is not limited to fishing boats, paddle boats, canoes, dinghies, or other water craft) left in or near the locations known as the "Crystal Lakes Boat House" or the "Boat Rack" areas.

- 17.1 ALL boats left at the storage area must have a current storage permit sticker placed in a visible location. The permit must be obtained from the office, and an application form completed at that time. A storage space number will be issued and the boat must be stored at that designated location.
- 17.2 The owner of a boat left at the storage area who sells his/her Crystal Lakes property has 30 days to remove the boat from the storage area. Failure to remove the boat within the 30-day period will result in the boat being considered abandoned and it will be removed according to policy.

- 17.3 It is the obligation of the boat owner to renew the permit annually. Failure to do so will result in activation of the “abandoned vehicle (property)” policy. Space rental renewal invoices will be mailed with the annual assessments.
- 17.4 Crystal Lakes Water and Sewer Association is not responsible for any loss or damage (owners and/or guests use the Crystal Lakes Boat Storage area at their own risk).
- 17.5 A fee, as listed in the current Crystal Lakes Associations’ Dues and Fees Schedule, will be collected at the time of application. This fee will be good for the fiscal year and must be renewed at the beginning of the next fiscal year. Rates are subject to change by the Board of Directors without notice. (CLW&SA Board, minutes August 21, 1020)

Revised February 17, 2007, by CLWSA Board action

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Currently appearing in the R&R Property Owners’ Handbook:

BOATS AND OTHER WATERCRAFT POLICY

Boats are allowed only on Panhandle Reservoir (Crystal Lake).
No gasoline motors may be used; however, electric motors may be used.
Boats must have one life jacket for each occupant.
Boats may be launched by hand from any point on Crystal Lake. The only places a car may launch a boat are at the West end of the lake and at Lakeview Park.
All ice shelters must be removed from lakes when not being used.

Boating courtesy and attention to safety are expected in order to minimize disturbance of those fishing from the shore or near the shore in waders, belly boats, etc.

“OWNERS AND/OR GUESTS USE THE CRYSTAL LAKES BOAT STORAGE AT THEIR OWN RISK.”

18. FINE POLICY, NOTICE, AND HEARING PRODECURES:

18.1 Fine Policy. The Association may levy fines for violations of the Association Documents in accordance with the following fair and impartial fact-finding process which is designed to determine whether the alleged violation actually occurred and whether the owner allegedly violating the Association Documents is the one who should be held responsible for the violation.

18.2 Notice of Violation (“Notice”). The Notice of Violation process is as follows:

18.2.1 The Association or any member of the Association may report a violation. If reported by a member, the member should report the violation in writing to the Association at the Association’s address. If the violation is of the type that can be readily photographed, any report of the violation should include one or more photographs of the violation.

18.2.2 The Board or the Association’s Manager will verify the violation and issue a written Notice to the violating Owner. The Notice will describe the nature of the violation, the time frame for correcting the violation (expressed as a certain number of days after the effective date of the Notice as determined below), and state that the Association may seek to remedy the violation and otherwise protect its rights as specified in the Association Documents and as provided by law.

18.2.3 The Notice, together with a copy of this Policy, will be sent via U.S. Mail, first class postage prepaid, addressed to the last registered address of the Owner as listed in the Association’s records. The Notice will be considered effective three days after it is deposited in the mail.

18.2.4 The Owner receiving the Notice then has the amount of time specified in the Notice to correct the violation.

18.2.5 If the violation is not corrected within the specified time, a fine is levied starting on the first day after the time period for correcting the violation expires, subject to the Request for Hearing provisions below.

18.3 Requests for Hearing. Any Owner receiving a violation Notice has the right to request a hearing before the Board as the Association’s impartial decision-maker. To request a hearing, the Owner must contact the Association in writing within four days after the effective date of the Notice. The Association’s Board shall then set a date for the hearing. If the hearing, for whatever reason, cannot be held prior to the date when the fine is otherwise scheduled to commence, the date the fine begins shall be extended to the day following the hearing. No Board member may have any direct personal or financial interest in the outcome of the hearing process. A Board member shall not be deemed to have a direct personal or financial interest in the outcome if the Board member will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. Any Board member who does have any direct personal or financial interest in the outcome of the hearing process shall not participate in the hearing. The purposes of the hearing are to (1) determine if the Owner receiving the Notice should be held responsible for the alleged violation, (2) evaluate any mitigating circumstances, and (3) make arrangements for bringing the violation into compliance over a period of time if warranted.

The hearing process will not and cannot be used to determine if a particular provision of the Association Documents is desirable.

18.4 Hearing Procedure. The general procedure for the hearing is as follows:

18.4.1 The presiding Board member shall (1) establish a quorum, (2) explain the Fine Policy and procedures, and (3) describe the nature of the violation as specified in the Notice.

18.4.2 The Owner may then provide rebuttal to the Notice using witnesses or any other information deemed relevant and necessary.

18.4.3 The Owner may elect to submit a written rebuttal if s/he does not choose to personally attend the hearing. The Owner shall include a statement in the rebuttal acknowledging their choice to not appear in person at the scheduled hearing, and that the Owner shall abide by the conclusions reached at the hearing by the Hearing Panel.

18.4.4 After all testimony and other evidence has been presented, the Board shall decide whether the Owner should be held responsible for the alleged violation. If the Board finds that the Owner has violated the Association Documents, a fine shall then be assessed by the Board or mutually agreeable arrangements made with the Owner to ensure correction of the violation and compliance in the future. If the Board finds that the Owner should not be held responsible for the alleged violation, then (1) no fine shall be assessed, and (2) the Association shall not allocate to that Owner's Association account any of the Association's costs or attorneys' fees incurred in asserting or hearing the alleged violation.

18.5 Fines. If an Owner fails to timely correct a violation, the Board has the right to assess a one-time fine in the amount of \$100 to \$5,000 (as the Board deems reasonable and necessary to promote correction of the violation). In addition, the Board may assess daily fines for any continuing or persistent violation in the amount of \$15 to \$25 per day (as the Board determines to be reasonable and necessary to promote correction of the violation) until the Owner has corrected the violation. The Owner is responsible for notifying the Association in writing if and when the violation has been corrected. Any daily fine shall continue at the stated rate until the earlier of (a) the date on which the Owner gives written notice of correction, regardless of when the violation was corrected, or (b) 120 days after commencement of the daily fine.

18.6 Injunction. If the violation has not been corrected within 120 days after commencement of a daily fine, or after imposition of a one-time fine, the Association may commence the necessary legal proceedings under the Association Documents or under Colorado law to compel correction of the violation as well as to recover any unpaid fines, court costs, attorneys' fees and other Association expenses arising from the violation. Nothing in this paragraph shall preclude the Association from commencing legal proceedings to correct the violation prior to expiration of the 120 day period.

18.7 Collection of Fines. Assessed fines shall be billed to the Owner by U.S. Mail, and are legally collectable as Assessments in accordance with the Association Documents and Colorado law. The fines are the personal obligation of the violating Owner and, in addition, constitute a lien against such Owner's property. Furthermore, the violating Owner is responsible for all costs and reasonable attorney fees incurred by the Association as a result of the violation.

18.8 Repeat Violations. A “repeat violation” is a violation committed by an Owner which is the same as the original violation committed by that Owner, and which occurs within twelve months after the original violation. A repeat violation is considered a continuation of the original violation, and thus an Owner committing a repeat violation is not entitled to the same hearing procedures set forth above. However, the Association shall provide Notice of the repeat violation to the Owner in accordance with Section 4.2 above. If the repeat violation has not been corrected within the time period specified in the Notice for correction of the violation, then the fine (which will be determined by the Board and may be up to double the amount of the fine assessed for the original violation) will commence upon the expiration of the correction period, notwithstanding any other provisions of this Fine Policy to the contrary. An Owner committing a repeat violation shall have no right to a hearing on such repeat violation before the Board.

18.9 Fine Not Exclusive Remedy. Fines levied under this Policy are not the Association’s exclusive remedy for addressing a violation. Nothing in this Fine Policy precludes the Association from pursuing any other remedy provided under the Association Documents or under Colorado law for correcting the violation.

Adopted by the Joint Boards of Directors January 17, 2009
Revised and adopted by the CLWSA Board of Directors July 18, 2009

19 COLLECTION OF UNPAID ASSESSMENTS AND FINES POLICY

Effective: January 1, 2006

19.1 Introduction. The Board of Director (the “Board”) of Crystal Lakes Water and Sewer Association, a Colorado non-profit corporation (the “Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions (the “Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act (“CCIOA”), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association documents and, if not defined in the association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

19.2 Policy Purpose.

The purpose of this Policy is to emphasize that collection of unpaid Assessments and fines is an important part of governing the Association and such collection must be done in a uniform manner in accordance with the Association Documents and CCIOA. It is the intent of this Policy to provide a framework for the collection of past due Assessments and fines in a timely and efficient manner.

19.3 Collection of Unpaid Assessments and Fines.

To assist with the collection of unpaid Assessments and fines in a timely and efficient manner, the Association shall do the following:

19.3.1 Assessment are payable annually and must be paid by June 30th of each year. Assessments and fines are considered delinquent as of September 1st of each year. Any account with delinquent Assessments and other fines as of September 1st of the current year will be assessed a monthly late fee of 1% with a \$20 per month minimum until the account is paid in full. When a delinquent account is sent to the Association attorney for collection a \$100.00 collection fee will be applied. Additional attorney fees or collection costs will be applied as incurred. (CLW&SA Board minutes, September 19, 2009)

19.3.2 In the event payment is not received from any delinquent Owner, the Association may pursue any one or all of the following collection remedies:

19.3.2.1 Mail a demand letter requesting payment of all past due Assessments and fines, late fees and attorney fees, if applicable;

19.3.2.2 File an Assessment lien against the delinquent Owner’s property;

19.3.2.3 Commence and maintain legal proceedings (lawsuits seeking personal judgments and foreclosures actions) for the recovery of delinquent Assessments and fines, late fees, interest, attorney fees and costs as may be allowed by the Association Documents of CCIOA;

19.3.2.4 Pursue collection of judgments obtained against Owners, and;

19.3.2.5 Take all other lawful action necessary to collect delinquent Assessments

and fines in accordance with the Association Documents and Colorado law.

If the Association fails to follow the procedures set forth above, it shall not be construed as any waiver or release of a delinquent Owner's obligation to pay Assessments and fines or the Association's right to collect the Assessments and fines in accordance with the Association Documents and CCIOA.

19.4 Association's Attorney Fees and Costs.

Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due Assessments and fines, whether or not a lawsuit is commenced, in accordance with the Association Documents and CCIOA.

19.5 Foreclosure and Bankruptcy Notices.

If the association receives any bankruptcy or foreclosure notice regarding an Owner with unpaid Assessments and fines, the Association may seek advice from its attorney regarding the appropriate action to be taken.

If the Association, through its attorney, has sent a demand letter, files a lien or commenced legal proceedings against an Owner in order to collect unpaid Assessments and fines, the Association shall forward any bankruptcy or foreclosure notice received to the attorney.

19.6 Variances.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

19.7 Amendment.

This Policy may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Crystal Lakes Water And Sewer Association (the "Association") certifies that the foregoing Policy for Collection of Unpaid Assessments and Fines was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on March 18, 2006.

Dates this _____, 2006

CRYSTAL LAKES WATER
AND SEWER ASSOCIATION
By:

Secretary

Exhibit I

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

CRYSTAL LAKES' SIXTH FILING INDIVIDUAL WELL COVENANT

Owners: _____

Property: Lots _____, Sixth Filing, Crystal Lakes, Larimer County, CO

WHEREAS, the above-named owners state and represent that they are all of the Owners of the above-numbered Lots in the Sixth Filing Crystal Lakes, Larimer County, Colorado, and that they desire to construct an individual well on said Lots to provide water for in-house domestic purposes in one single family residential dwelling, only, located on said Lots; and

WHEREAS, the use of water in Crystal Lakes is controlled by the Crystal Lakes Water and Sewer Association Amended Master Declaration recorded October 3, 1975, at Reception #130044, Book 1566, Page 538, the Covenants appearing on the recorded plat of the Crystal Lakes' Sixth Filing, and the Amended Water Court Decree in consolidated case numbers W-7631-74 and W-8540-77, dated November 9, 1983, and recorded January 6, 1986, at Reception #86001646, Records of Larimer County; and

WHEREAS, the above-named Owners as well as the Crystal Lakes Water and Sewer Association (the "Association") are bound by the provisions of those documents; and

WHEREAS, the Board of Directors of the Association may, in the exercise of its discretionary management authority, allow individual well permit applications in the Sixth Filing to go forward, but only if this is done consistently with said documents, without detriment to the financial viability of the central water system of the Sixth Filing and without any risk of adverse health effects due to the proximity of such wells to septic systems; and

WHEREAS, the Board of Directors of the Association by Motion approved July 17, 1999, decided that the Association will recommend to the State Engineer that individual well permits be issued in the Sixth Filing under the terms and conditions set out in this Covenant. That decision of the Board may be repealed or amended when and if the Board determines that the construction of additional individual wells is not in the best interest of the community or if it could place the Association at risk of a noncompliance status with the said Water Court Decree.

NOW, THEREFORE, in consideration of the Agreement by the Association to recommend issuance of an individual well permit on the above Lots, receipt and sufficiency of which consideration is specifically acknowledged, Owners agree as follows:

1. Owners shall in any event continue paying all Sixth Filing community water assessments, whether or not they receive water from or are connected to a central water system.
2. Owners agree to shut down and cease use of this well if the Board of Directors of the Association in its sole but reasonable discretion determines that the continued use of Owners' well is adversely affecting any present or future Sixth Filing community well. Such determination may be based upon a hydrologic evaluation of a reasonable area, or of a class or group of similarly situated wells, and need not involve a specific evaluation of Owners' well.
3. Owners' well, like all other wells in Crystal Lakes, is subject to the augmentation plan decreed in the above-mentioned water court cases.
4. Owners' well must be equipped with a totalizing flow meter approved by the State Engineer's office. Meter readings must be reported to the Association office upon a schedule to be determined by the Association.

5. The Association shall not have any responsibility or liability to construct, maintain, operate, inspect or regulate any individual wells or septic systems, nor shall the Association have any responsibility or liability for the quality of the water produced from any such wells.
6. The Association shall have no responsibility or liability in the event any individual well does not produce the desired amount of water.
7. Owners' well, water and wastewater system and facilities shall comply with all federal, state and local laws and regulations.
8. The said well may be used only so long as Owners' Lots are served by an on-site septic system with leach field and said system is maintained in good repair and in compliance with all applicable laws and regulations.
9. The provisions of this Covenant shall not be merged in any well permits issued by the State Engineer, but shall survive the issuance of such permits and shall be perpetually binding and obligatory upon the Owners and their successors and assigns.
10. This Covenant and its application shall be construed in accordance with the laws of the State of Colorado. Any litigation concerning this Covenant shall be brought in the District Court for Water Division 1, State of Colorado, also known as Water Court. In the event of any such litigation, the prevailing party shall be entitled to its attorney fees.
11. This Covenant and the rights and obligations created thereby shall be binding upon and inure to the benefit of the Owners and the Association, and their respective successors and assigns.
12. The waiver by the Association of any breach of the provisions of this Covenant shall not constitute a continuing waiver of any subsequent breach by Owners of the same or any other provision of this Covenant.
13. This Covenant is an important legal document. Owners specifically acknowledge that they have been advised by the Association to consult with qualified legal counsel before executing this Covenant and that they have had an opportunity to do so.

Owners:

_____	Date _____
_____	Date _____
_____	Date _____

Crystal Lakes Water and Sewer Association recommends that the State Engineer issue an individual well permit as described above, consistent with the terms and provisions of the foregoing Covenant.

CRYSTAL LAKES WATER AND
SEWER ASSOCIATION

By: _____
Manager