

POLICIES
of
Mount Vernon Country Club Metropolitan District

The policies set forth below (the "Policies") have been adopted by the Board of Directors of Mount Vernon Country Club Metropolitan District (the "District") as official policies of the District. Each of the Policies is derived primarily from a provision in the previous by-laws or the Rules and Regulations of Mount Vernon Country Club, a Colorado nonprofit corporation (the "Corporation") as they existed prior to January 14, 1998. When the District was formed in February 1992, the Corporation assigned to the District substantially all of its properties (with the main exception being the so-called Custer Property), and the District assumed substantially all of the Corporation's obligations. Under Colorado law, the District is authorized to conduct certain activities that had been within the scope of the Corporation's previous by-laws and Rules and Regulations; the Policies have been designed to reflect the adoption by the District of the principles of those provisions of the previous by-laws and Rules and Regulations that are within the scope of the District's legal authority. Also, the Corporation's Rules and Regulations have been combined into the Corporation's By-Laws, and the combined version of the By-Laws has been amended to delete those provisions that have been adopted as Policies of the District. Conforming changes and other amendments have been made by the Board of Directors of the District in connection with the adoption of the Policies.

The Corporation's By-Laws refer to "Proprietary Members," who are owners of residences within the subdivision known as Mount Vernon Club Place (whose boundaries are approximately the same as the boundaries of the District). The term "Proprietary Members" relates primarily to the voting rights of members of a non-profit corporation and to rules relating to occupancy of a residence within Mount Vernon Club Place. The approximate counterpart to the term "Proprietary Members" in the Policies is "Property Owner," which refers to an owner of real property located within the District. The term "Property Owner" should be distinguished from the electors of the District (i.e., those who are entitled under Colorado law to elect the Board of Directors of the District), who are the individuals who live within the District or who own property within the District and are registered to vote in Colorado. The phrase "Mount Vernon Club Place" is used in the By-Laws to denote the property within the subdivision of that name, while the Policies use the phrase "property located within the District."

Both the By-Laws and the Policies refer to "residents," who are residents of the District and who may or may not be Proprietary Members, and to the "Club," which is the physical plant that includes the clubhouse and recreational facilities of the District.

In connection with the formation of the District, the Corporation conveyed its real property to the District and required the District (pursuant to the Conveyance Agreement dated February, 1992) to agree not to effect certain conveyances of real property without compliance with the 1980 Mount Vernon Country Club Land Use Plan (the "Land Use Plan"). Article 7 of the Policies reflects the obligation of the District to abide by the terms of the Conveyance Agreement. In general terms, any significant conveyance of real property will require a vote of

the Directors, a vote of the Board of Directors of the Corporation (after it makes certain required findings), and a vote of the Proprietary Members of the Corporation.

The term "Board" as used in the Policies refers to the Board of Directors of the District, as distinguished from the Board of Directors of the Corporation.

The procedures for electing the members of the Board and other voting matters related to the District are governed by statute and are not affected by these Policies. Copies of the key statutory provisions that govern the operation of the District are available to any Property Owner at the business offices of the District.

1. Board.

1 Authority. Except as expressly limited by the Policies, the Board has all the authority granted by law to a board of directors of a metropolitan district.

2 Delegation. The Board may exercise any of its authority by delegation to an employee or agent of the District.

3 Procedure. The Board may adopt such procedures and parliamentary rules as it deems necessary or appropriate from time to time.

4 Amendment. The Board may amend the Policies from time to time by the affirmative vote of three fourths of the members of the Board then in office, except that no amendment may be made to the provisions of Article 7 (or to the provisions of this Section 1.4 to the extent any such amendment would affect the ability to amend the provisions of Article 7) without compliance with the provisions of Article 7.

5 Indemnification. The District will indemnify each member of the Board and each officer of the District, and each of their respective heirs, successors, assigns and personal representatives to the maximum extent permitted by law. The indemnification provided for in the Policies is not exclusive of any other rights of indemnification to which a member of the Board or officer may be entitled.

2. Officers.

1 Selection. The Board will fill the officer positions described in Sections 2.2, 2.3, 2.4 and 2.5 and may create such additional officer positions as it deems appropriate. The Board will elect officers from its membership, except as provided in Section 2.4.

2 President. The President, who will be a member of the Board, will be the Chief Executive Officer of the District. The President will preside at meetings of the Board; will be an ex-officio member of all Committees of the District; and will be the daily liaison between the Board and the Executive Manager for the purposes of interpreting and implementing the Policies and overseeing the operations of the District. The President is responsible to the Board.

3 Vice Presidents. Each member of the Board other than the President and the Treasurer will be a Vice-President. One or more of the Vice-Presidents (as designated by the Board) will ensure that the community programs and functions are responsive to the community needs; will act as President when the President is absent or is unable to act; will be a member of the committees dealing with community activities; will be responsible for coordinating the efforts of committees and for negotiating conflicts between the community based committees prior to their being taken to the Board; and may be assigned other responsibilities, such as investigating complaints of residents of the District.

4 Secretary. The Secretary will be appointed by the Board and need not be a member of the Board. The Secretary will be responsible for the giving of all notices of all meetings of the Board; will be responsible for the keeping of documents of the District; will prepare minutes of any meetings of the Board; will sign written instruments of the District; and will be the custodian of the District's seal.

5 Treasurer. The Treasurer, who will be a member of the Board, will be responsible for monitoring all financial matters, and will act as the liaison between the Board and the Financial Planning Committee, as an ex-officio member of such committee.

3. **Membership.**

1 Proprietary Membership.

(a) *Definition.* Each owner of a residence located within the District (other than the residences owned by the District) will be required to become a Proprietary Member under the By-Laws of the Corporation. Upon becoming a Proprietary Member under the By-Laws of the Corporation, a Property Owner will have the privilege of using the Club, subject to the Policies as they may be amended from time to time.

(b) *Dues, Fees and Charges.* Each Property Owner will pay such dues, fees, and charges as the Board prescribes from time to time, including annual dues, payable monthly in advance. Each Property Owner must pay all initiation fees and dues required of Social Members of the District, subject to Section 1.2© of the By-Laws of the Corporation, except that a Property Owner may use the swimming pool or tennis courts, without payment of initiation fees, if the Property Owner pays the annual dues for the pertinent activity or activities. The approval of a majority of the Proprietary Members of the Corporation in good standing at a meeting held for such purpose in accordance with the By-Laws of the Corporation will be required for any increase in dues, fees, or charges if the aggregate rate of dues, fees, and charges with respect to a Property Owner would be increased by more than \$100 from the aggregate rate of dues, fees, and charges for the immediately preceding calendar year.

(c) *Taxation Powers Unaffected.* The provisions in Section 3.1(b) do not affect the ability of the District to impose taxes, which is governed by statute.

(d) *Use of Income.* Income received by the District from dues, fees and charges will be used for such general purposes, without restriction or allocation by source, as the Board directs.

(e) *Enforcement Powers.*

(i) All unpaid dues, fees, and charges due the District from Property Owners will constitute a charge and lien against all of the real property of the Property Owner located within the District, whether improved or unimproved.

(ii) The District may record with the Clerk and Recorder of Jefferson County, against a Property Owner's property located within the District, a written statement of such amounts that are due to the District from any such Property Owner and remain unpaid for over sixty days from the date of the District's invoice, and the District as a result of such recording will have a continuing lien upon the property of such Property Owner for any such amounts then due or thereafter due to the District from such Property Owner until all past due amounts are paid in full. If more than one individual is an owner of the same property, all of such individuals are jointly and severally liable for all payments due to the District with respect to their property. The lien of the District, when recorded, will attach to the ownership interest of all of such individuals in and to such property, improved and unimproved, irrespective of the legal manner or form in which such individuals hold title to such property is held.

(iii) If the District incurs collection costs (including attorneys fees) in connection with any amounts owed to the District by a Property Owner, the District will be entitled to collect such costs from the Property Owner, whether or not any suit is commenced, and such amounts will be secured by the lien described in this Section 3.1(e).

(iv) Each Property Owner, by accepting any benefit or use of the District's facilities or services (directly or by the resident of the Property Owner's residence), acknowledges that the District, through its Board, has the powers set forth in the Policies (as the Policies may be amended from time to time), and grants to the District the right to impose and enforce the lien described in this Section 3.1(e).

(v) In addition to its right to foreclose upon the lien described in this Section 3.1(e), the District may cease to provide services (including water service, snow removal, and trash removal) to any Property Owner or resident of the District, if any amount that is due to the District remains unpaid for over sixty days from the date of the District's invoice and if all past due amounts have not been paid in full within ten days after the District mails notice to the Property Owner or resident (a "Delinquent Account"). Any effort by a Property Owner or resident to restore water service after the water has been turned off by the District will be viewed as a conversion of the water. Cessation of services will not result in any decrease in charges, and the Property Owner or resident will not receive any credit for suspended service.

2 Suspension and Termination. The District may cease to provide services to any property located within the District or to allow the Property Owner or resident to use the Club, if

a Delinquent Account exists or if the Property Owner or resident violates any provisions of the By-Laws of the Corporation or the Policies of the District in any material respect or on a repeated basis. Any property to which service has been suspended or terminated may be reinstated by the Board, upon fulfilling such requirements as the Board prescribes, including but not limited to the payment to the District of all past due amounts.

3 Limitations. An individual who is not a Property Owner but who lives in the residence of a Property Owner may utilize the facilities of the District and incur charges in the name of the Property Owner upon prior approval of the District and permission from the Property Owner. The District may permit any resident who has received such permission to continue to incur charges until the District receives written notice to the contrary from the Property Owner. All charges incurred by the resident will be the joint and several obligation of the Property Owner and the resident. All regular dues, fees, and charges payable generally by Property Owners that are incurred during the period of any tenancy will remain the direct obligation of the Property Owner.

4 Additional Services. If, in the opinion of the Board, the use of any Property Owner's property is of such nature as to require the use of facilities or services significantly in excess of that normally used by other Property Owners or residents, the Board may levy such additional charges or assessments as it deems appropriate for the additional facilities or services.

5 Social Membership.

(a) *Definition.* A Social Member is a person who is accepted for membership and who has the privilege to use the Club. A Social Member has no privileges to use the swimming pool or the tennis courts unless the Social Member is also a Swimming Pool Member or a Tennis Member, respectively. No Social Member has any privilege to use any other property of the District unless permitted by the Board.

(b) *Application for Social Membership.* Application for Social Membership will be made on forms prescribed from time to time by the Board. Each application for Social Membership must be accompanied by the initiation fees and dues established by the Board. An Application for Social Membership is subject to approval by the Board.

(c) *Privileges of and Limitations on Social Membership.*

(i) A Social Member may exercise privileges of Social Membership, subject to the Policies as they may be amended from time to time.

(ii) A Social Membership may be held jointly by a husband and wife.

(iii) A Social Member has no voting rights and has no ownership interest in any property of the District. The privileges of a Social Member extend to the Social Member's spouse, to children or parents who live in the principal residence of such Social

Member, and to accompanying guests. The Board may demand evidence of membership from anyone at any time such person uses the membership.

(iv) The Board may terminate or suspend a Social Membership for any reason, with or without cause. Termination of a jointly held Social Membership is normally applicable to both spouses, unless otherwise determined by the Board after review of the circumstances upon request by either spouse. A Social Member has no membership privileges during any period of suspension.

(v) Any Social Member who fails to pay any amounts due to the District within the period specified by the Board from time to time will be automatically terminated. Such termination will be effective at such time following request for payment that the Board prescribes.

(vi) In the event of divorce or legal separation of a Social Member where the Social Membership is held jointly, such Social Membership may be assigned to either spouse (or former spouse), either by agreement or court decree. The spouse to whom the membership has not been assigned may apply for a new membership.

(vii) Each spouse with a jointly held Social Membership may terminate such person's Social Membership upon notice to the District. Upon any such termination, the remaining spouse may continue to exercise the privileges of membership and will be responsible for all fees and dues incurred thereafter.

(viii) The membership of a Social Member may be assigned to any family member, subject to such transfer fee as the Board establishes from time to time. The privileges of membership will be continued under the same terms as applied the membership of the transferring Social Member.

6 Business Membership.

(a) *Definition.* A Business Membership is a membership that is held by a sole proprietorship; by a corporation, partnership, limited liability company or other entity; or by a governmental entity. The Business Membership may designate individuals or married couples associated with the person or entity that holds the Business Membership as persons who are intended to be able to exercise the privileges of membership, subject to limits established from time to time by the Board as to the number of such individuals or married couples that can be designated by Business Memberships.

(b) *Application for Business Membership.*

(i) Application for Business Membership will be made upon forms prescribed from time to time by the Board. The person or entity applying for such membership will designate in writing the individuals for whom membership privileges are desired, and from time to time may change such designations. Each individual so designated (whether original or

substitute) must also make written application upon forms prescribed from time to time by the Board. All applications for Business Memberships and for individuals designated under such memberships are subject to the approval of the Board.

(ii) Each application for Business Membership must be accompanied by the initiation fees and dues established by the Board from time to time. The Board may establish additional fees and dues for each individual in excess of one who is designated by the person or entity as an individual with membership privileges.

(c) *Privileges of and Limitations on Business Memberships.*

(i) A Business Membership may exercise privileges of Business Membership, subject to the Policies as they may be amended from time to time.

(ii) A Business Membership has no voting rights and has no ownership interest in any property of the District. The privileges of Business Membership extend to the spouse of each individual designated as having membership privileges, to children or parents who live in the principal residence of such individual, and to accompanying guests. The Board may demand evidence of membership from anyone at any time such person uses the membership.

(iii) The Board may terminate or suspend a Business Membership for any reason, with or without cause. A Business Membership has no membership privileges during any period of suspension.

(iv) Any Business Membership as to which there is a failure to pay any amounts due to the District within the period specified by the Board from time to time will be automatically terminated. Such termination will be effective at such time following request for payment that the Board prescribes.

(v) The person or entity that holds the Business Membership is liable for the charges incurred by the individuals who are designated as having membership privileges.

7 Swimming Pool, Platform Tennis and Tennis Memberships.

(a) Swimming Pool Memberships, Platform Tennis Memberships, and Tennis Memberships may be held by such persons as the Board approves for membership, each of whom must be a Social Member or a Proprietary Member. Upon approval as a Swimming Pool Member, a Platform Tennis Member, or a Tennis Member, a Social Member will have the privilege of using the swimming pool, platform tennis courts, or tennis courts, respectively, subject to such rules as the Board prescribes from time to time. Application for such memberships will be made upon forms prescribed from time to time by the Board.

(b) The rules applicable to Social Members set forth in Section 3.5 will also apply to Social Members who are Swimming Pool Members, Platform Tennis Members, and Tennis Members.

8 Payment for Memberships. Each Social Member, Business Member, Swimming Pool Member, Platform Tennis Member, and Tennis Member will pay such initiation fees, dues and charges as the Board prescribes from time to time. Dues for Social Memberships and Business Memberships are payable quarterly in advance. Dues for the Swimming Pool Memberships, Platform Tennis Memberships, and Tennis Memberships are billed annually.

9 Enforcement of Policies Generally.

(a) The District may enforce any provision of the Policies by proceedings at law or in equity against any member of any category who violates any of the Policies, to recover damages for such violation, including reasonable attorneys fees incurred in such enforcement, or to restrain such violation, or both.

(b) Failure of the District to enforce any covenant or restriction will not be deemed a waiver of the right to do so thereafter, as to the person in violation or any other person.

(c) The Policies are intended to be applicable to, and may be enforced by the District against, all Property Owners and residents of the District, regardless of the status of the Property Owner's application to become a Proprietary Member under the By-Laws of the Corporation.

4. **Committees.**

1 Authority of Board. The Board will establish such committees from time to time as it deems appropriate, which may be ad hoc committees or standing committees. The Board may appoint such persons (who may be, but need not be, Property Owners) as members of such committees as it deems appropriate. All committees report to and serve under the direction of the Board, and all members of all committees serve at the pleasure of the Board. The Board may change the responsibilities of any committee from time to time by written direction to such committee or by amendment of the Policies.

2 Standing Committees. Unless the Board otherwise directs, the Board will establish the following standing committees which will have the following responsibilities:

(a) *General Services.* The Committee will be chaired by a member of the Board, and may be composed of Property Owners, residents of the District who are not Property Owners, and employees of the District. The Committee will monitor the functions of the General Services Department; make suggestions to the Executive Manager for improvements in road repair and maintenance, water service, grounds maintenance and other services; coordinate Five Points and (jointly with the Stewardship Committee) open space maintenance (such as beetle control, thistle control, general clean-up, etc.) with the Board and the Executive Manager,

using volunteer labor on an as-needed basis; report to the Board at least monthly on the performance of the General Services Department; monitor the day-to-day operation and maintenance of the District's water and wastewater systems; study and advise on improvements relating to individual residence waste disposal systems; monitor District rules relating to requirements of such systems and report infractions of such rules to the Board; maintain close liaison with the Real Estate Committee of the Corporation relating to rules pertaining to approval of waste disposal systems of residences that are pending sale; and act as a liaison with the Foothills Fire Protection District (jointly with the Stewardship Committee).

(b) *Water and Wastewater.* The Committee will be chaired by a Property Owner and may be composed of Property Owners, residents of the District who are not Property Owners, Social Members, and employees of the District. The Committee will plan, study and advise the Board on the improvement of the District's water system, including any legal, fiscal and physical matters; monitor the quality and quantity of water; maintain current maps showing all water supply, storage and distribution facilities, including private water lines; maintain records of water supply, water usage and status of wells; study, plan and advise on improvements relating to the District's sewage treatment facilities; and maintain specifications of water supply, storage and distribution facilities and sewage treatment facilities.

(c) *Swimming Pool.* The Committee will be chaired by a Property Owner and may be composed of Property Owners, Social Members, and employees of the District. The Committee will monitor the operations of the pool and the snack bar; recommend to the Board policy on membership utilization of the pool; work with the Executive Manager to accomplish certain tasks with volunteer labor; and make recommendations for improvement of programs and services to the Board and the Executive Manager.

(d) *Tennis.* The Committee will be chaired by a Property Owner and may be composed of Property Owners, Social Members, and employees of the District. The Committee will monitor the operations of the tennis courts; recommend policy on membership utilization of the tennis facility to the Board; work with the Executive Manager to accomplish certain tasks with volunteer labor; and make recommendations for improvement of programs and services to the Board and the Executive Manager.

(e) *Social Membership.* The Committee will be chaired by a member of the Board and may be composed of Property Owners, Social Members, and employees of the District. The Committee will make recommendations to the Board concerning membership goals for various categories of members; review membership drive plans developed by the Executive Manager; monitor progress of membership drives on a regular basis with the Board and the Executive Manager; make suggestions to the Board and the Executive Manager on innovative membership solicitation mechanisms; evaluate present membership satisfaction; and assist the Executive Manager in conducting programs to solicit new memberships.

(f) *Financial Planning.* The Committee will be composed of Property Owners, with the Treasurer and the Executive Manager as ex-officio members, and will be chaired by a person designated by the Board. The Committee will examine, review, investigate

and report to the Board concerning all financial and accounting matters that it deems important to the financial condition and financial operations of the District's facilities; will work with the Board and the Executive Manager to prepare, update and monitor compliance with the District's Five-Year Plan and annual budget; and will advise the Board concerning the financial impact of matters under consideration by the Board, as the Board may request from time to time or as the Committee determines is otherwise appropriate.

(g) *Stewardship.* The Committee will be chaired by a Property Owner and will be composed of Property Owners, Social Members, and employees of the District. The Committee will make recommendations to the Board, and will assist with implementation of Board policies, regarding the District's forests and grasslands, including appropriate steps to balance and to foster the varied use of such assets; to minimize the possibility of wildfire; to manage wildlife in order to maximize the health and diversity of native species consistent with protection of human health and welfare; to review soil conservation and plant management proposals; to develop new trails and to mark and improve existing trails in order to increase the enjoyment of the District's natural areas and to improve safety of pedestrians (especially children); to coordinate such efforts with the efforts of others, such as other committees of the District and the Corporation, individuals in the area, the Colorado Division of Wildlife, the Colorado Forest Service, the Jefferson County Open Space Department, the Denver Mountain Parks (Genesee Park), and the Foothills Consolidated Fire District; and to act as a liaison with the Foothills Consolidated Fire District (jointly with the General Services Committee).

5. **Development Fees, Tap Fees, and Water Service.**

1 Development Fees.

(a) *Development Fees.* The Board will establish and impose a development fee for the building of any new residence to be constructed within the District. The Board will set the fee from time to time based on the "proportionate share" of the value of all of the District's facilities (including open space, infrastructure, buildings, and other improvements, but not including the District's water rights and water distribution facilities). The Board may determine the value of the District's facilities in any manner that it deems appropriate. The proportionate share will be based on a fraction, the numerator of which is one and the denominator of which is the number of residences that will be located within the District after giving effect to the new residence to which the development fee applies but not including any residences owned by the District. The location of any dwelling must be in an area that will not cause undue hardship or expense to the District in snow removal, road maintenance or water service, and that will not unduly impair the view or value of an existing residence. In addition to such other factors as the Board considers appropriate in determining whether to permit the construction of the new residence, the District will not permit the construction of the new residence (i) with respect to any building site created by the transfer of lots in violation of the By-Laws of the Corporation, or (ii) to any person unless such person is a Proprietary Member in good standing under the By-Laws of the Corporation or such person has an application for Proprietary Membership pending with the Corporation.

(b) *Approval of Utility Improvements.* No new water wells, water lines, roads, telephone lines, electric utility lines, cable television lines, or other utilities may be installed within the District until the Board has approved such actions. In addition to such other factors as the Board considers appropriate in determining whether to approve any such action, the Board will grant such approval only after compliance with applicable Colorado and Jefferson County regulations and the Land Use Plan.

(c) *Approval of Sanitation Facilities.* No new or reconstructed sanitation facilities (including septic tanks and fields) may be installed within the District until the Board has approved such actions. The Board will grant such approval only after compliance with applicable Colorado and Jefferson County regulations. The location of any sanitation facilities must be in an area that will not create undue hardship or expense to the District in snow removal, road maintenance or water service, that will not cause sanitation problems because of inadequate terrain for sewage disposal or because of proximity to other water supplies, and that will not unduly impair the view or value of an existing residence or District facilities. The Board may require additional engineering and/or hydrological studies prior to granting any such approval. All property affected by the sanitation facilities must be owned by the applicant.

(d) *Requirements Cumulative.* The requirements in Section 5.1(a) through © are in addition to those set forth in the By-Laws of the Corporation relating to the requirement for approval of improvements in Mount Vernon Club Place.

2 Water Service.

(a) *Water Tap Fee.* The Board will establish and impose a water tap fee for water service to be provided by the District to any residence within the District that the District has not previously served. The Board will set the fee from time to time based on the "proportionate share" (determined in the manner set forth in Section 5.1(a)) of the value of the District's water rights and water distribution facilities. The Board may determine the value of the District's water rights and water distribution facilities in any manner that it deems appropriate. In addition to such factors as the Board considers appropriate in determining whether to issue a water tap, the District will not issue any water tap (i) with respect to any building site created by the transfer of lots in violation of the By-Laws of the Corporation, or (ii) to any person unless such person is a Proprietary Member in good standing under the By-Laws of the Corporation or such person has an application for Proprietary Membership pending with the Corporation.

(b) *Limitation on New Water Taps.* Notwithstanding anything contained in the Policies, the Board has determined that, due to the limited capacity of the District's water system, no new water taps will be authorized or permitted from and after April 18, 1973, with only the following exceptions: (i) the permit that the Board of Directors of the Corporation granted to Page in 1992; and (ii) the permit that the District granted to Westa in 1995.

(c) *Water Service Standards.*

(i) Maintenance of service lines between the curb stop and the residence served (i.e., secondary lines), including any repair or replacement of such lines, is the sole responsibility of the property owner, and maintenance of service lines between the main line and the curb stop is the responsibility of the District. Notwithstanding the foregoing provision, however, if damage to or deterioration of a service line to the residence of a Property Owner is so great that the entire service line must be replaced from the main line to the curb stop the Property Owner is responsible for the replacement of such service line. (This exception is based on the assumption that, and will apply only to the extent that, the service line had not been replaced in 1987 when a new water distribution system was installed and when certain Proprietary Members of the Corporation paid for new service lines; the principle involved is that a Property Owner or Proprietary Member who decided against replacing his or her service line at that time should pay for such replacement if the line fails at a later time.)

(ii) The District is not obligated in any way to guarantee or assure the delivery of specific quantities of water, and does not undertake to maintain water pressure sufficient to operate any system or appliance that depends upon water pressure for its operation.

(iii) The District is not obligated to make any allowance, refund or reduction for diminished or lost service as a result of water line breaks, shortages, or low pressure.

(d) *Usage Fees.*

(i) The Board will establish and impose a water usage fee to be paid by all residences within the District other than residences owned by the District. The Board may increase or decrease the water usage fee from time to time in its discretion.

(ii) The Board in its discretion may suspend the imposition of a water usage fee for any residence for any period in which water service at the residence is not being used because the residence is not being occupied for an extended period. In connection with any such suspension, the Board may cause service to be cut off, at the Property Owner's expense, at any point convenient to the District.

(iii) The Board in its discretion may impose an extra water service fee against any resident of the District, in an amount to be determined by the Board, as a charge for excessive water used by such resident.

(e) *Usage Rules.*

(i) The District may impose use restrictions to provide each property owner with a fair share of the water available and to comply with the court-approved water augmentation plan applicable to the District's water rights.

(ii) All residents living within the District are required not to waste water or otherwise use water excessively. Residents may not allow water to run as a means of preventing the freezing of water lines. Water may be used for irrigation only through hand-held

means and no use of sprinklers or sprinkler-type systems is permitted; all residents are encouraged to utilize native vegetation in order to reduce the need for plant irrigation. In times of water shortage, the Board may require all residents to stop all irrigating. The foregoing restrictions on the use of water for irrigation are derived in part from legal restrictions set forth in the court-approved water augmentation plan applicable to the District's water rights.

6. **Services to Residents.**

1 Emergency Services. If an emergency occurs, including leakage of water pipes on the property of a Property Owner or resident, the Property Owner and the resident will have the responsibility of informing the Executive Manager of such condition. Upon being informed of such emergency, the Executive Manager may render such services as time and skills permit. All emergency services rendered by the District relating to the property or personal needs of any Property Owner or resident will be at the expense of the Property Owner or resident, and the Property Owner or resident will be charged on a time and expense basis.

2 Non-Emergency Services. The District may perform non-emergency services for a Property Owner or resident only to the extent that such services do not interfere with the regular duties of District personnel.

3 Charges for Services. A Property Owner or resident will execute an acknowledgment of the amount due for any extraordinary services received from the District on a form provided by the District. A Property Owner or resident will pay the District whenever equipment of the District is used or services are rendered for the Property Owner or resident by personnel of the District. The Board will establish rates for the use of equipment owned by the District and services provided by personnel of the District. Personnel of the District may perform services for residents of the District on their own time, as long as the performance of such services does not interfere with the duties of such personnel to the District and subject to such requirements and policies as the Executive Manager determines from time to time.

4 Use of Equipment by Property Owners. The Executive Manager will have authority to permit the use by Property Owners or residents of tools and shop equipment owned by the District, under such terms as will provide reasonable assurance that such equipment will receive proper care. No vehicular equipment owned by the District may be used by any Property Owner or resident without express authority from the Board or the Executive Manager.

5 Removal of Snow. In case of heavy snowfall, the Executive Manager will give priority to the clearing of thoroughfare roads located within the District and the roads and parking lots surrounding the clubhouse (if the clubhouse is in operation). The Executive Manager will use reasonable efforts to move windrows away from the entrances to driveways of Property Owners or residents. After the thoroughfare roads, the roads and parking lots located near the clubhouse, and other areas within the District determined by the Executive Manager to require priority have been cleared, the Executive Manager may clear private driveways to the extent that time and conditions permit. The priority for clearing private driveways normally will be as follows: (a) medical emergencies; (b) fire and emergency volunteers; © urgent

appointments, such as scheduled plane trips and the like; (d) the needs of older and disabled or incapacitated residents of the District, in cases where such residents may be unable to clear their own driveways; and (e) all other residents of the District in the order considered most sensible by the Executive Manager, taking into consideration the efficient and timely use of equipment and personnel of the District. *The District may not be able to clear private driveways in the event of heavy snowfalls or continuing snowfalls; accordingly, any resident of the District for whom the inability to gain access to the roads of the District would constitute a severe hardship or an emergency is advised to make arrangements that do not depend solely upon the personnel and equipment of the District.*

6 Removal of Vehicles. All residents of the District must remove their motor vehicles from the thoroughfare roads immediately upon request of the Executive Manager, in order to facilitate removal of snow and for the maintenance and repair of roads. If any person fails or refuses to remove his or her vehicle after the Executive Manager has requested that it be so moved and has made reasonable efforts to communicate such request to the owner of the motor vehicle, or in the event of an emergency, the Executive Manager may remove the vehicle to the District's compound at the expense of the owner, and the owner will have no claim against the District or the Executive Manager for any damages, whether actual or consequential, as a result of such removal.

7. **Land Use Plan.**

The District will not convey any real property without approval of the Board and, if applicable, compliance with the requirements of the Conveyance Agreement between the District and the Corporation dated February, 1992, and the 1980 Mount Vernon Country Club Land Use Plan.