

RULES AND REGULATIONS
GOVERNING
TALLYN'S REACH METROPOLITAN DISTRICT

adopted and enforced by

Joint Resolution of

TALLYN'S REACH METROPOLITAN DISTRICT NOS. 1-3

June, 2001

**RULES AND REGULATIONS
GOVERNING
Tallyn's Reach Metropolitan District Nos. 1-3**

*Adopted and Enforced By
Tallyn's Reach Metropolitan District Nos. 1-3*

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**RULES AND REGULATIONS
GOVERNING
TALLYN'S REACH METROPOLITAN DISTRICT NOS. 1-3**

*Adopted and enforced by
Joint Resolution of
Tallyn's Reach Metropolitan District Nos. 1-3*

PREAMBLE:

The Boards of Directors of Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") have adopted the following Rules and Regulations pursuant to § 32-1-1001(l)(m), C.R.S., by joint resolution, attached hereto as Exhibit A, to provide for the orderly and efficient conduct of the business and affairs of the Districts, the combined boundaries of which make up the community known as Tallyn's Reach.

The Boards of Directors of the Districts expressly reserve the right to make revisions to these Rules and Regulations from time to time in order to provide for the orderly construction, management, operation and control of the public facilities and services of the Districts and to promote the health, and safety and welfare of the residents and property owners in Tallyn's Reach. These Rules and Regulations are supplementary to, and are not to be construed as any abridgement of, the lawful rights of the Boards to manage the Districts as outlined in the Colorado Revised Statutes governing special districts. These Rules and Regulations specifically supersede in their entirety any and all prior rules and regulations of the Districts.

ARTICLE 1. DEFINITIONS

Boards or **Boards of Directors** shall refer to the Boards of Directors of Tallyn's Reach Metropolitan District Nos. 1-3, who are the governing bodies of the Districts.

Customer shall mean any person or entity, which receives services from the Districts.

Districts shall mean Tallyn's Reach Metropolitan District Nos. 1-3, or their Boards of Directors.

District Manager shall mean the independent contractor engaged by the Districts to perform such services, with and to the extent authorized by the Districts.

District Services shall mean any of the services authorized by the Consolidated Service Plan to be provided by the Districts.

Fee Schedule shall mean the schedule of fees charged by the Districts as amended from time to time, on file with the District Manager, and attached hereto as Exhibit C.

Person shall mean any person or entity.

Property Owner or **Owner** shall mean the record owner of real property within the boundaries of the Districts.

Rules and Regulations shall mean the Rules and Regulations adopted by the Districts' Boards of Directors including all amendments, policies and resolutions of the Districts which may be adopted from time to time.

Tallyn's Reach shall mean the property constituting the legal boundaries of the Districts as they currently exist as amended in the future by any and all inclusions or exclusions conducted in accordance with Title 32 of the Colorado Revised Statutes.

Service Plan shall mean that document entitled "Consolidated Service Plan for Promontory Metropolitan District Nos. 1, 2 and 3" dated September 2, 1998 as amended from time to time.

Shall or **May** whenever "shall" is used herein it shall be construed as a mandatory direction; whenever "may" is used herein it shall be construed as a permissible, but not mandatory direction.

ARTICLE II. GENERAL

2.1 SCOPE OF RULES AND REGULATIONS. These Rules and Regulations shall be treated and considered as new and comprehensive rules and regulations governing the operations and management of the Districts. Any and all prior Rules and Regulations of the Districts shall be deemed specifically superceded hereby.

The Boards of Directors have determined to adopt these Rules and Regulations in order to assist the Districts and its management staff in implementing the decisions and policies of the Board. It is intended that any Person desiring to transact business with the Districts as an owner or developer of property or a resident within the boundaries for the Districts shall comply with these Rules and Regulations. It is further intended that the District Manager and the management staff shall utilize these Rules and Regulations as a tool for assuring uniform treatment to Persons within the Districts and fair response to issues which confront the Districts. The District Manager shall provide copies of these Rules and Regulations to any Person who requests them for a fee determined by the Board. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the Districts contained herein, and in supplements hereto.

2.2 GENERAL PURPOSE AND AUTHORITY. The purpose of these Rules and Regulations is to provide for the orderly construction, management, operation and control of the public utility systems, facilities, improvements and services of the Districts, including additions, extensions and connections thereto. The Districts are a governmental entity and political subdivision of the State of Colorado and body corporate with all powers of public or quasi-municipal corporations, which are specifically granted or implied for carrying out the objectives

and purposes of the Districts. The Districts construct operate and maintain certain facilities for their benefit and that of property owners and residents within its boundaries.

2.3 PUBLIC HEALTH, SAFETY AND WELFARE. It is hereby declared that the Rules and Regulations hereinafter set forth serve a public interest and are necessary for the protection of the health, safety, prosperity, security, and general welfare of the residents and property owners of the Districts.

2.4 RULES OF CONSTRUCTION. These Rules and Regulations governing Tallyn's Reach, adopted and enforced by joint resolution of the Districts, are promulgated pursuant to statute in the exercise of the Boards' discretion to provide a tool for management of the Districts and for the orderly provision of essential services. It is intended that these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. No refusal, failure or omission of the Boards or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation herefrom or from any grant of power, duty or responsibility, or any limitation or restriction upon the Boards of Directors or the Districts by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the Districts and any other entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Districts to secure the full benefit and protection of any law now in effect or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the Districts. The Boards reserve the right to construe any provision hereof in their sole discretion in order to effectuate lawful purposes of the Districts and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future. In all circumstances, these Rules and Regulations shall be construed in the broadest sense possible to enable the Districts to perform their functions in accordance with law.

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

2.5 AMENDMENT/MODIFICATION/WAIVERS. The Boards shall retain the power to amend these Rules and Regulations as it deems appropriate. Neither notice of such amendments nor public hearing shall be required to be provided by the Districts prior to exercising its amendment, modification or waiver powers. The Districts have the power to revise their Rules and Regulations from time to time either by formal action of the Boards or by implication and has authority to waive the application of their Rules and Regulations to their own activities, or to the activities of others. Supplemental policies of the Districts may be adopted from time to time in order to assist the Boards and their management staff in managing the affairs of the Districts. When possible, copies of such policies shall be attached hereto as contained in Exhibit B. Additional Exhibits affecting these Rules and Regulations may be added by Board resolution from time to time. The Boards, or the District Manager acting on instructions of the Board, shall

have the sole authority to waive, suspend or modify these Rules and Regulations. Any Person claiming the benefit of such waiver, suspension or modification shall be required to obtain a written waiver signed by the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver shall be deemed a continuing waiver.

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

2.7 DEFINITIONS FOR TERMS USED IN RULES AND REGULATIONS. Unless the context specifically states otherwise, the meaning of terms used herein shall be as set forth herein.

2.8 GENERAL POLICIES. The Districts articulate herein their rules, regulations, and policies for the provision of public services and facilities, and for management and operation of the same. From time to time, the Boards of Directors adopt official policies of the Districts. On occasion, such policies are reflected in official "resolutions" or "policies" of the Boards of Directors. Exhibit B hereof contains official policies of the Districts incorporated into formal "resolutions" as of the date of adoption of these Rules and Regulations. Additional Exhibits may be added to these Rules and Regulations from time to time either by addition to Exhibit B in the case of adoption of resolutions or policies, or by the addition of new Exhibits. Additional policies may also be found in the minutes of the Districts' Board meetings. To the extent any policy found in minutes of Board meetings which pre-date and conflict with any resolution of the Board, the resolution shall be deemed to supersede the minutes, unless the Boards determine otherwise after such conflict is brought to the attention of the Boards. To the extent policies found in minutes of meetings post-date resolutions of the Districts and conflict with such resolutions, the policy stated in the Minutes shall be binding unless the Boards determine otherwise after such conflict is brought to the attention of the Boards. The Districts shall have the right, at all times, to repeal and re-enact resolutions of the Boards unless any resolution specifically states that it is irrevocable. A number of informal policies of the Districts may exist which are known to the District Manager and the Districts' Boards of Directors. In any case where a person has questions about District policies, questions may be directed to the District Manager who has authority to respond, or who may refer such requests to the Board. In all circumstances, the Boards of Directors retain authority and responsibility for the policies of the Districts.

ARTICLE III. DESCRIPTION OF THE DISTRICTS

3.1 PURPOSE OF THE DISTRICTS. The Districts were organized with authority to provide certain services and facilities to residents and property owners within the area generally known as "Tallyn's Reach." The Districts are a quasi-municipal corporations and political subdivisions of the State of Colorado, and as such, exercise certain governmental powers for the benefit of its constituents. Pursuant to its Service Plan, the Districts have the authority to provide

water, street, traffic and safety controls, television relay and translator, transportation, parks and recreation, and sanitation services to the extent of its available resources. The Districts have power to tax properties within their boundaries and to impose fees for services available from or provided by the Districts. The Districts derive their power from Colorado statutes and from their Service Plan. The Service Plan contains general information about the facilities, services, and powers of the Districts and may be amended from time to time to deal with the evolving needs of the Districts. The Districts have the authority to construct facilities and improvements for District Services, as it deems expedient, in accordance with the authority granted to the Districts in their Service Plan. The Service Plan is an "enabling document" granting to the Districts certain powers and authorities. The Service Plan does not impose upon the Districts any responsibility which it is not required to accept pursuant to state law or which it does not specifically accept by official decision of the Board.

3.2 THE GOVERNING BODY. The Districts are governed by elected Boards of Directors. The Boards consist of five individuals who, as residents or property owners within the Districts, are qualified to serve as directors. Directors are generally elected to four-year terms at elections held in May of even-numbered years. The Boards elect from their membership a president, vice-president, treasurer, and appoints a secretary.

3.3 DISTRICT BOARD MEETINGS. Meetings of the Boards of Directors are subject to the "Sunshine Law" of the State of Colorado and are open to the public. From time to time the Boards meet in "Executive Session" to receive legal advice or to discuss ongoing contract negotiations, litigation matters, or other legally privileged matters. Executive sessions are closed to the public. Minutes of meetings are prepared for each meeting and, after approval by the Boards, are available for public inspection. The Districts' policy is not to tape record its meetings, and it does not attempt to maintain a verbatim transcript of its discussions.

3.4 DISTRICT MANAGEMENT. The Districts are managed by professional management consultants engage by the Boards. The District Manager oversees the day-to-day administration of the Districts and operation of District facilities. All consultants of the Districts serve at the will of the Boards. The District Manager operates within approved guidelines established by the Boards of the Districts and exercises only that discretion which is granted by the Boards as necessary for day-to-day operations and for implementation of Board decisions and policies.

3.5 DISTRICT SERVICES AND FACILITIES. In general terms, the Districts attempt to provide the water, street, traffic and safety controls, television relay and translator, transportation, parks and recreation, and sanitation improvements within the Districts. The Districts' Service Plan contains maps which show the current and projected location of District Services and facilities, and provides a general description of those facilities. Reference is made to the Service Plan for general descriptions of services and facilities which may be provided by the Districts. The Districts have powers of eminent domain to condemn private properties for public use.

3.6 SUBDIVISION AND ZONING REFERRALS. The Districts have no authority over subdivision, zoning or other land use matters for property within the Districts. The City of

Aurora controls land use decisions within the boundaries of the Districts, with the exception of certain land use decisions related to public facilities constructed by the Districts.

3.7 RATES, FEES, TOLLS AND CHARGES. The Districts have power to charge various rates, fees, tolls, charges and penalties, and may impose taxes for services and facilities provided by the Districts. In most cases the failure of a resident or property owner to pay such fees creates a right in the Districts to claim a lien on the affected property and to foreclose on that lien. The Districts exercise such power for the overall benefit of the Districts and reserve the right to exercise their discretion on a case-by-case basis in determining whether to claim a lien and foreclose it.

3.8 OTHER PUBLIC UTILITIES. Electric, natural gas, telephone and cable television services are available within the Districts and are provided by various commercial companies.

ARTICLE IV. OWNERSHIP AND OPERATION OF FACILITIES

4.1 DISTRICT FACILITIES. Systems constructed by the Districts shall be operated and maintained by the Districts pursuant to these Rules and Regulations.

4.2 DISTRICT OWNERSHIP. All improvements constituting any part of District systems shall be the sole property of the Districts, unless otherwise specifically agreed by the Districts or Customer. Notwithstanding that Customers shall be entitled to receive Service from the Districts pursuant to these rules and Regulations, no legal or equitable ownership in District systems or improvements shall be deemed to exist in favor of any Person other than the Districts.

4.3 RIGHT OF ENTRY. The District Manager, employees and consultants of the Districts, or other personnel authorized by the District Manager, bearing proper credentials and identification, shall be permitted by all residents or landowners within the Districts to enter upon all properties or appurtenances for the purpose of installation, replacement, repair, maintenance, inspection, or observation reasonably necessary in connection with the services and facilities provided by the Districts. The granting of Right of Entry by the resident or landowner is a condition precedent and a condition subsequent to the provision of services by the Districts. Refusal to permit such access to District personnel in the performance of their duties may result in discontinuation of services to the property in question, or cause additional charges to the resident or landowner for increased costs or damages sustained as a result of refusing the Right of Entry.

4.4 LIMITATION OF LIABILITY OF DISTRICT. Except as provided by the Colorado Governmental Immunity Act, 24-10-101 *et seq.*, C.R.S., it is expressly stipulated that no claim for damage shall be made against the Districts by reason of any action or inaction of the Boards in connection with any improvements or facilities for which the Districts have operations or maintenance responsibility.

ARTICLE V. RULES CONCERNING DISTRICT SERVICES AND FACILITIES

5.1 ENTITLEMENT TO DISTRICT SERVICES. District Services will be provided by the Districts to all Customers, subject to these Rules and Regulations. No Person or entity which does not pay applicable fees and other related charges, as may be adopted by the Board and as may be updated from time to time, or provide evidence that appropriate fees have been paid for the benefit of such Person or entity shall be entitled to continued service. It shall be incumbent upon the applicant for District Services to furnish satisfactory evidence of payment of applicable fees whenever such evidence is requested by the Districts. Notwithstanding that a Person or entity has paid appropriate fees for service, no Person or entity shall be entitled to receive continued District Services if property taxes or other fees due from such Person or entity have become delinquent. District Services shall be suspendable or revocable at the Districts' discretion upon non-payment of any valid fees or charges owing to the Districts or any other violation of these Rules and Regulations. In the event of non-payment, the Customer shall be given not less than ten (10) days advance notice in writing of the revocation.

5.2 DISTRICT SERVICES TO PERSONS OUTSIDE THE DISTRICTS' BOUNDARIES. Charges for District Services to persons outside the Districts' boundaries shall be determined in the sole discretion of the Board of Directors. It is expected that charges for District Services for persons owning property or residing outside the District boundaries shall equal at least the actual cost of District Services, plus, at a minimum, the estimated mill levy payments and other fees for which such property would be responsible if it were included in the Districts. In every case where the Districts furnish Service to persons owning property or residing outside the Districts' boundaries, the Districts reserve the right to discontinue Service when, in the judgment of the Boards of Directors, it is in the best interest of the Districts to do so, except as may be limited by written agreement.

5.3 INCLUSION OR EXCLUSION OF PROPERTY. Properties located outside the boundaries of the Districts may propose inclusion (annexation) of such property into the Districts. Individuals who own property within the boundaries of the Districts may seek to have that property excluded from the Districts. All requests for inclusion of property within the boundaries of the Districts shall be made pursuant the provisions of § 32-1-401, *et seq.*, C.R.S. All requests for exclusion of property shall be considered pursuant to the provisions of § 32-1-501, *et seq.*, C.R.S.

5.4 TAMPERING. No unauthorized person or entity shall uncover, use, alter, or disturb the Districts' facilities or improvements without first obtaining a written authorization from the Districts. No Person shall maliciously, willfully, or negligently, break, damage, destroy, uncover, deface or tamper with any portion of the Districts' facilities or improvements. Any Person who violates the provisions of this Section shall be prosecuted to the full extent of Colorado law.

5.5 VIOLATIONS. Any Person violating any of the provisions of these Rules and Regulations shall become liable to the Districts for any expense, loss or damage occasioned by reason of such violation, and upon non-payment thereof, shall be assessed a penalty in an amount set forth in the Districts' Fee Schedule which penalty shall be a lien upon the violator's property, as allowed by § 32-1-1001, C.R.S., as amended, or a lien upon the property to which the violator

was providing services at the time of the violation in question, whichever the District Manager deems appropriate. In the event the Districts determine to revoke or suspend District Services to any Person or entity for violation of any of the provisions of these Rules or Regulations, the Districts shall not be liable for any claim for damage resulting therefrom.

5.6 FEES FOR SERVICES. Development fees, working capital fees, service charges, miscellaneous fees, and other applicable fees shall be in the amounts shown in the Joint Fee Resolution attached hereto as Exhibit C, as may be amended from time to time.

Following efforts to collect overdue payments of any fee or charge assessed by the Districts under these Rules and Regulations and/or Colorado law, if it becomes necessary for the Districts to initiate foreclosure proceedings as allowed by § 32-1-1001(1)(j), C.R.S., as amended, the Districts shall in each such case be entitled to assess all legal fees, costs of collection, and a foreclosure penalty against the subject property in an amount set forth in the Districts' Fee Schedule which penalty shall be payable in full upon assessment and shall be included in the lien then being foreclosed. Payment of said foreclosure penalty and any and all other fees outstanding against the subject property shall be a precondition to the resumption of District Services.

ARTICLE VI. HEARINGS

6.1 APPLICABILITY. The hearing and appeal procedures established by this Article shall apply to all complaints concerning the interpretation, application, or enforcement of the Rules and Regulations of the Districts, as they now exist or may hereafter be amended. The hearing and appeal procedures established by this Article shall not apply to complaints arising out of the interpretation of the terms of District contracts or complaints which arise with regard to personnel matters which shall be governed exclusively by the Districts' personnel rules as the same may be amended from time to time.

6.2 COMPLAINT. Complaints concerning the interpretation, application, or enforcement of Rules and Regulations of the Districts must be presented in writing to the District Manager, or such representative as he or she may designate. Upon receipt of a complaint, the District Manager or designated representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by mail within fifteen (15) days after receipt of the complaint. Decisions of the District Manager which impact the Districts financially will not be binding upon the Districts unless approved by the Boards at a special or regular meeting of the Boards.

6.3 HEARING. In the event the decision of the District Manager or his representative is unsatisfactory to the complainant, a written request for formal hearing may be submitted to the District Manager or such hearing officer as the District Manager may appoint within twenty (20) days from the date written notice of the decision was mailed. A deposit in an amount as set forth in the Districts' Fee Schedule shall be made with the Districts along with the request for the hearing. This amount shall be retained by the Districts to cover the costs of the hearing until the

final decision following such hearing. The amount shall be refunded to the complainant if the District Manager renders a final decision in favor of the complainant.

Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Rules and Regulations have been met, the District Manager or hearing officer shall conduct a hearing at the Districts' convenience but in any event not later than fifteen (15) days after the submission of the request for formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations. Decisions of the District Manager which impact the Districts financially will not be binding upon the Districts unless approved by the Board of Directors at a special or regular meeting of the Board.

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

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

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

6.5 FINDINGS. Subsequent to the formal hearing, the District Manager or hearing officer shall make written findings and an order disposing of the matter and shall mail a copy thereto to the complainant not later than fifteen (15) days after the date of the formal hearing.

6.6 APPEALS. In the event the complainant disagrees with the findings and Order of the District Manager at the formal hearing, the complainant may, within fifteen (15) days from the date of their mailing, file with the Districts a written request for an appeal thereof to the Boards of Directors. The request for an appeal shall set forth with specificity the facts or exhibits presented at the formal hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. The Districts shall in response compile a written record of the appeal consisting of (1) a transcript of the recorded proceedings at the formal hearing, (2) all exhibits or other physical evidence offered and reviewed at the formal hearing, and (3) a copy of the written findings and Order. The Boards shall consider the complainant's written request and the written record on appeal at the next regularly scheduled meeting held not earlier than ten (10) days after the filing of the complainant's request for appeal. Such consideration shall be limited exclusively to a review of the record on appeal and the

complainant's written request for appeal. No further evidence shall be presented by any party to the appeal and there shall be no right to a hearing de novo before the Boards of Directors.

6.7 BOARD FINDINGS. The Boards of Directors shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be mailed to the complainant within thirty (30) days after the hearing. The Boards of Directors will not reverse the decision of the District Manager or hearing officer unless it appears that such decision was contrary to the manifest weight of the evidence made available at the formal hearing.

6.8 NOTICES. A complainant shall be given notice of any hearing before the District Manager, the hearing officer, or before the Boards of Directors, by certified mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the complainant shall also be served upon the attorney.

EXHIBIT A
Joint Resolution Approving Rules and Regulations

**JOINT RESOLUTION OF
TALLYN'S REACH METROPOLITAN DISTRICT
REGARDING
ADOPTION OF RULES AND REGULATIONS**

WHEREAS, Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") are special districts organized pursuant to the laws of the State of Colorado and in accordance with a "Consolidated Service Plan" prepared for the Districts, as approved by the City of Aurora and the District Court of Arapahoe County, Colorado; and

WHEREAS, The Districts each have the power and authority to provide the following services pursuant to the Consolidated Service Plan: water, streets, traffic and safety controls, fire protection and emergency medical services, television relay and translator, transportation, park and recreation, sanitation, and mosquito and pest control; and

WHEREAS, the combined boundaries of the Districts make up the community known as "Tallyn's Reach," which property is constituted by the legal boundaries of the Districts as they currently exist, as amended in the future by any and all inclusions or exclusions conducted in accordance with Title 32 of the Colorado Revised Statutes; and

WHEREAS, on or about June 2001, Tallyn's Reach entered into an intergovernmental agreement (the "Master IGA"), which provides for the implementation of principles and objectives set forth in the Consolidated Service Plan regarding the financing, construction, operation and maintenance of facilities, and regarding administration of the affairs of the Districts including the collection, management and expenditures of funds of the Districts; and

WHEREAS, as described in the Consolidated Service Plan and in the Master IGA, the District is responsible for managing the construction and operation of facilities and improvements needed for Tallyn's Reach, and is responsible for providing the funding and tax base need to support the Districts' financing plan for capital improvements; and

WHEREAS, pursuant to the Master IGA, all rules and regulations, and amendments thereto, placed in force by the Districts from time to time concerning the operation of facilities and provision of services shall be as fully enforceable in District No. 1, District No. 2 and District No. 3.

NOW, THEREFORE, pursuant to § 32-1-1001(1)(m), C.R.S., by and through their respective boards of directors, in order to assure proper coordination of the powers and authorities of the Districts and to provide for the orderly and efficient conduct of the business and affairs of Tallyn's Reach, the Districts each hereby independently and jointly:

RESOLVE to adopt the Rules and Regulations entitled "Rules and Regulations Governing Tallyn's Reach Metropolitan District," dated June 25, 2001, for the purpose of governing Tallyn's Reach; and

RESOLVE to incorporate the "Joint Resolution Concerning the Imposition of District Development and Recreation Fees," "First Amendment to the Joint Resolution Concerning the Imposition of District Development and Recreation Fees" and "Second Amendment to Joint Resolution Concerning Imposition of District Development Fees" as previously adopted by the Districts into said Rules and Regulations under Exhibit C; and

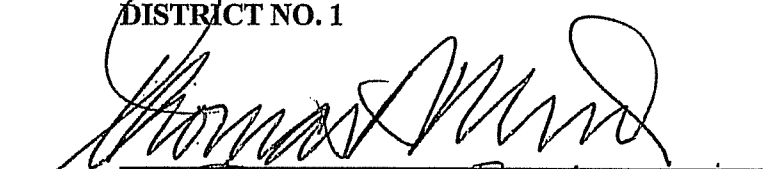
RESOLVE to adopt the "Policies and Procedures Governing the Tallyn's Reach Recreation Center and Recreation Amenities" as contained in Exhibit B to the Rules and Regulations for the purpose of governing the procedures by which recreation facilities are operated and maintained and rules pertaining to access of such facilities; and

RESOLVE that the Districts may waive the application of the Rules and Regulations as to itself without formal board action, and may waive the same as respects other persons or entities by action of its Board; and


FURTHER RESOLVE that the Boards of Directors each expressly reserves the right to make revisions to the Rules and Regulations, Joint Resolution Concerning the Imposition of District Development and Recreation Fees, and Policies and Procedures Governing the Tallyn's Reach Recreation Center and Recreation Amenities from time to time in a manner consistent with the Consolidated Service Plan in order to properly manage the Districts, and to promote the health, safety and welfare of the residents and property owners in Tallyn's Reach.

ADOPTED AND APPROVED THIS 25th DAY OF JUNE, 2001.


TALLYN'S REACH METROPOLITAN
DISTRICT NO. 1


By: THOMAS P. MORTON
Its: President


ATTEST:


Secretary

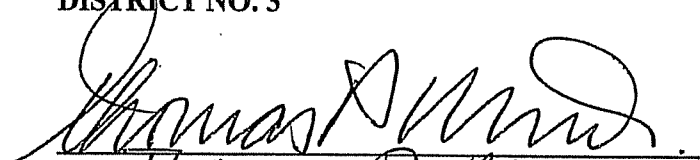
TALLYN'S REACH METROPOLITAN
DISTRICT NO. 2


By: Thomas P. Morton
Its: President

ATTEST:


Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 3


By: Thomas P. Morton
Its: President

ATTEST:

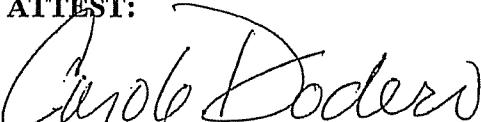

Secretary

EXHIBIT B
Policies and Procedures Governing the Tallyn's Reach
Recreation Center and Recreation Amenities

**POLICIES AND PROCEDURES GOVERNING THE
TALLYN'S REACH CLUBHOUSE
AND
RECREATION AMENITIES**

*Adopted and Enforced by
Tallyn's Reach Metropolitan District Nos. 1-3*

Adopted November 11, 2008 and supersede in their entirety all previously adopted versions of Policies and Procedures Governing the Tallyn's Reach Clubhouse and Recreation Amenities.

Preamble

The Boards of Directors of Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") have adopted the following Policies and Procedures Governing the Tallyn's Reach Clubhouse and Recreation Amenities (the "Policies and Procedures") pursuant to § 32-1-1001(1)(m), C.R.S., by joint resolution dated December 13, 2005, to provide for the orderly and efficient conduct of construction, management, operation and control of the public facilities and services of the Districts. The Districts, pursuant to the provisions of their Consolidated Service Plan, have constructed the Clubhouse and associated recreation amenities, including a pool, tennis courts and landscaped common areas (collectively the "Recreation Amenities").

All references herein to "Districts" shall refer to Tallyn's Reach Metropolitan Districts Nos. 1-3 and their respective Boards of Directors.

Article I

OWNERSHIP, CONTROL AND OPERATION OF THE RECREATION AMENITIES

1.1. Ownership of the Recreation Amenities. As of adoption of these Policies and Procedures, Tallyn's Reach Metropolitan District No. 1 ("District No. 1") is the current owner and operator of the Recreation Amenities pursuant to certain agreements with Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3, for the use and benefit of all of the Districts and the residents thereof. The owner of the Recreation Facilities will be responsible for operating and maintaining the Recreation Facilities. All references to the "Operating District" contained herein shall refer to the then current owner of the Recreation Facilities.

1.2. Control and Operation of the Recreation Amenities. In its capacity as owner of the Recreation Amenities, the Operating District is the party responsible for operation and control of the Recreation Amenities. All references to the "District Manager" contained herein shall refer to an independent contractor engaged by the Board of Directors of the Operating District ("Operating District Board") to perform certain management functions for the Operating District, to the extent authorized by the Operating District, regardless as to whether that person or entity has similar responsibilities for any other metropolitan district.

Article II

ACCESS TO AND USE OF THE RECREATION AMENITIES

2.1. Persons within District Boundaries. All residents and owners of property within the legal boundaries of the Districts, as amended from time to time (“District Residents” and “Property Owners”), shall be entitled to use the Recreation Amenities as permitted herein and pursuant to the Rules and Regulations Governing Tallyn's Reach Metropolitan District adopted June, 2001 (the “Rules and Regulations”). All persons over the age of 16 claiming status as a District Resident or Property Owner shall present proof of such residency or property ownership to the District Manager in order to receive an Access Code for use of the Recreation Amenities. Acceptable proof of residency or property ownership shall include, but not be limited to, a valid Colorado driver’s license or I.D. issued by the Colorado Department of Motor Vehicles or a deed or lease for any such property. The District Manager shall accept or reject any such proof of residency or property ownership at its discretion. Use of the Recreation Amenities by District Residents and Property Owners is subject to timely payment of all fees, charges and taxes of the Districts, and compliance with the Rules and Regulations. In the event that such fees, charges and taxes are not timely paid, such resident or property owner shall not be issued an Access Code to the facility, and any privileges for use of the Recreation Amenities pursuant to a previously issued Access Code shall be suspended or revoked, in the Operating District’s discretion.

2.2. Persons without the District Boundaries. All persons not residing or owning property within the legal boundaries of the Districts, as amended from time to time (“Non-District Property Owners and Residents”), shall be entitled to use the Recreation Amenities as permitted herein and pursuant to the Rules and Regulations. Charges for use of the Recreation Amenities by Non-District Property Owners and Residents shall equal, at a minimum, the estimated annual mill levy payments and other annual fees for which such property would be responsible if it were included in the Districts. All persons desiring access to the Recreation Amenities under this Section 2.2, shall pay in full all applicable annual charges and fees, as determined by the Operating District in its discretion, from time to time, prior to being allowed access to the Recreation Amenities for the year in question. The Districts retain the right to limit access to the Recreation Amenities to Non-District Property Owners and Residents based upon the safe and reasonable capacity of the Recreation Amenities, as determined by the Operating District Board, in its discretion. Use of the Recreation Amenities by Non-District Property Owners and Residents shall be allowed on a first-come, first-served basis in the event of any such limitations.

2.3. “User” Defined. The term “User,” as used herein, shall refer to all persons entitled to use the Recreation Amenities hereunder, subject to the terms and conditions set forth herein. Such persons shall include District Residents and Property Owners as defined in Section 1.1., Outside Users as defined in Section 1.2., and other such persons as the Board determines to be entitled to use the Recreation Amenities from time to time. The privileges of Users with respect to the Recreation Amenities shall be subject to the terms and conditions set forth herein.

2.4. Use of the Recreation Amenities. All Users shall be required to complete, on an annual basis, an Information Form and Release Form in substantially the form attached as Exhibits A and B, respectively, for submission to the District Manager. Such forms must be signed by all Users

over the age of 18, individually, and by parents or legal guardians on behalf of all individuals under the age of 18. Upon presentation of such, all Users shall be issued an Access Code by the District Manager. In the absence of suspension or revocation of any User's privilege to use the Recreation Amenities, a new Access Code shall be provided to all eligible Users annually. The Access Code shall be utilized by all Users for access to the swimming facilities and sport courts during permitted times.

All Access Codes issued by the District Manager are the sole property of the Districts and may not legally be assigned, sold, loaned or otherwise transferred without the prior written authorization of the District Manager. Any transfer without the District Manager's approval shall be void and the Districts shall retain the right to suspend or revoke any User's privileges to the Recreation Amenities for such violation. If at any time, a District Resident or Property Owner moves outside of the District's boundaries or ceases to own property therein, he shall immediately notify the District Manager, and his privileges to use the Recreation Amenities Pursuant to Section 2.1 shall immediately cease. Such person shall thereafter only be entitled to continued use in accordance with the terms of Section 2.2 herein.

2.5. Children. No children under the age of 14 may use the Recreational Facilities unless accompanied by a parent, legal guardian or other adult over the age of 18, as authorized by the parent or guardian. Any person under the age of eighteen (18) years must first submit to the District Manager a completed *Release Form for Minor's Use of Recreation Amenities* in the form set forth in Exhibit C, attached hereto and incorporated herein. Any child under the age of 7 utilizing the pool shall at all times be directly supervised by a parent, legal guardian or other adult over the age of 18, as authorized by the parent or legal guardian.

2.6. Guests of Users. Users are welcome to invite guests to use the Recreation Amenities, except that guests shall be limited to five (5) per physical address within the District's boundaries per day unless the District, in its discretion, determines to allow a greater number of guests pursuant to a contract for reservation of the Recreation Amenities. All guests must be accompanied by the User at all times during their use of the Recreation Amenities. All guests under the age of 18 must be accompanied by a User over the age of 18. All Users shall be responsible for their guests' actions, and shall be jointly and severally liable with such guest for any damages caused by such guest to the Recreation Amenities.

2.7. Hours of Operation. The Recreation Amenities shall have the following hours and dates of operation:

Pool shall be open from Memorial Day to Labor Day
Monday through Friday 10 a.m. to 8 p.m.
Saturday through Sunday 10 a.m. to 8 p.m.

Tennis Courts shall be open year round, weather permitting
Monday through Sunday from dawn to dusk

Access to the Clubhouse shall be allowed for Users year round pursuant to these Policies and Procedures.

The Recreation Amenities' hours of operation shall be subject to seasonal adjustments or changes deemed necessary and appropriate by the Operating District Board in its discretion. Users may contact the District Manager for up-to-date information relating to the hours of operation for any of the Recreation Amenities. Additionally, the Operating District reserves the right to close all or any portion of the Recreation Amenities due to weather conditions, preparation for major events, temporary staffing problems or other reasons. Any such required closing will not result in any adjustments to User fees.

2.8. Swimming Facilities Rental. The District may, from time to time and within its sole discretion, allow Users to reserve and/or rent the swimming facilities for private events. Additional policies shall be adopted by the Board concerning the terms and conditions of such rentals, inclusive of permitted times of rentals and rental charges and deposits.

Article III

MISCELLANEOUS

3.1. Lost Articles. The Districts are not responsible for any lost or stolen articles or for accidents on the premises. All personal articles should be locked or secured as appropriate to avoid loss to the owner. There will be a collection spot for all lost articles designated in the Recreation Amenities. All lost articles which are not claimed shall be donated to a non-profit collection agency on a monthly basis by the Districts.

3.2. Limitation Of Liability Of Districts. Use of the Recreation Amenities is at the sole risk of any User. Except as provided by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., the Districts shall not be responsible for any claims for damage by reason of any action or inaction of the Districts or its agents or representatives in connection with any of the Recreation Amenities.

3.3. Equipment. All recreational items and equipment located on or around the Recreation Amenities are the property of the Operating District and shall not be taken from the premises without prior written consent of the District Manager. Any violations shall result in criminal prosecution by the Operating District.

3.4. Smoking, Drugs and Alcohol. Smoking and use of illegal drugs is not allowed and shall not be permitted on or around the Recreation Amenities. Use of alcohol is permitted by adults over the age of 21 in the Clubhouse during certain special events as noticed.

3.5. Weapons. With the exception of squirt guns, no weapons of any kind shall be allowed on or around the Recreation Amendments, including but not limited to pocket knives or guns.

3.6. Food and Drink; Clean Up. Food and drink are permitted in the Recreation Amenities. Glass containers are absolutely prohibited in the Pool and Tennis Court areas. Users must clean up after themselves. Failure to comply with this section shall entitle the District to assess a fine against a person who violates this section sufficient to restore the Recreational Facilities to their

condition prior to use by a violator of this section. Such fines shall become part of the charges due by the User to the District and shall constitute a lien against the real property of the User existing within the boundaries of the District.

3.7. Pets. Pets are not allowed in the Clubhouse, pool area or tennis courts, but are allowed in the common area parks. All pets must be accompanied and must be on a leash. All Users are responsible for cleaning up after their pets. Notwithstanding the foregoing, nothing in this Agreement shall prevent Users from being accompanied by disability-related assistance animals.

Article IV

SWIMMING POOL

4.1. Pool Rules. Pool rules are posted in the swimming area and may be obtained directly from the District Manager.

4.2. Lifeguards. Lifeguards will be attending the pool area when available. Notwithstanding the presence of lifeguards or absence thereof, Users shall utilize the swimming pool facilities at their sole risk.

4.3. Flotation Devices. No swimmers dependent upon any flotation device shall be permitted in the pool unless accompanied (in the water) and directly supervised by a responsible adult over the age of 18. 'Direct supervision' as used herein shall mean that the parent, legal guardian or other adult is in the pool with swimmers requiring such supervision, or within the pool fence, not more than ten feet from the pool and facing the direction of the pool.

4.4. Wading Pool. No children over the age of 7 shall be allowed in the wading pool. Children under the age of 7 utilizing the wading pool shall at all times be directly supervised by a parent, legal guardian or other adult over the age of 18, as authorized by the parent or legal guardian. All babies who are not yet potty trained shall wear swim diapers or swimsuits with built in swim diapers when utilizing the wading pool.

4.5. Children. Children under the age of 18 years old shall be permitted use of the pool pursuant to Section 2.4 hereof.

4.6. Pool and Water Toys. The only play balls allowed in the pool shall be Nerf™ type balls and inflatable plastic beach balls. Tennis balls, golf balls, footballs, basketballs, etc. will not be allowed. Squirt guns, diving toys and reasonably sized flotation devices shall be allowed.

4.7. Equipment. Proper and appropriate attire should be worn by all Users and their guests when utilizing the swimming pool facilities.

4.8. No Alcohol. No Alcohol consumption shall be permitted at the pool.

Article V

TENNIS COURTS

- 5.1. Tennis Court Rules.** Tennis court rules are posted in the tennis areas and may be obtained directly from the District Manager.
- 5.2. Use of the Tennis Courts.** Tennis courts are available to Users and their guests and are open on a first-come, first-served basis, until the Districts deem reservations are warranted. Use of the courts is limited to one hour when there are Users waiting.
- 5.3. Equipment.** Proper and appropriate attire should be worn by all Users and their guests when utilizing the tennis court facilities. Users shall wear only shoes with white rubber soles. Users shall not adjust nets or any equipment, but shall notify the District Manager if any such adjustments are necessary.
- 5.4. Skate Boards, Skates or Bikes.** The tennis courts shall only be used for playing tennis or other authorized uses as determined by the Operating District Board in its discretion. No skate boards, in line skates or other types of skates, bikes or other unauthorized uses shall be tolerated.
- 5.5. Children.** Children under the age of 18 years old shall be permitted use of the tennis courts pursuant to Section 2.4 hereof.

Article VI

CLUBHOUSE

- 6.1. Use of the Clubhouse.** Subject to the limitations outlined in Section 6.2, the Clubhouse shall be available to all Users upon payment of the appropriate rental fee and deposit, which shall be fixed by the Operating District Board in its discretion based upon the type of event for which rental of the Clubhouse is desired, the number of persons anticipated to be in attendance and other attendant factors. The Operating District Board may, in its discretion, decline rental of the Clubhouse for any event that the Operating District Board deems to jeopardize the safety, health or welfare of the public. A current form of agreement for Clubhouse reservations may be obtained from the District Manager.
- 6.2. Limitations on the Ongoing Use of the Clubhouse.** Except as otherwise stated herein, Users shall be prohibited from renting the Clubhouse on an extended or continuing basis for ongoing purposes. Such rentals have the ongoing effect of precluding and preventing Clubhouse usage by other permitted Users. Whether a proposed use is extended or continuing shall be determined by the District Manager, but shall include an analysis of whether such use is proposed for greater than a 24 hour period in any given week or for multiple regularly scheduled usage on a weekly or monthly basis. In an attempt to further use of the Clubhouse on a non-discriminatory and neutral basis and not aid one religion/political party, or prefer one religion or political party over another or provide any public funding for the same, the Clubhouse shall not

be permitted for any religious or political usage. Such limitations are consistent with the Rules and Regulations Governing Tallyn's Reach Metropolitan District as adopted through joint resolution of the Tallyn's Reach Metropolitan Districts on June 25, 2001 and comport with the intent of the same to make the Clubhouse available to the most Users possible for permitted activities.

6.3. Exceptions to Ongoing Use Limitations. Notwithstanding the limitations provided in Section 6.2, the Clubhouse may be utilized for the ongoing purposes of monthly, or more frequent, Tallyn's Reach Master Association meetings or sub-association meetings, or use otherwise deemed necessary by the District manager for conducting business of the District or Master Association.

6.4. Capacity of Clubhouse. City of Aurora fire codes mandate that legal capacity of the Clubhouse be limited to 72 persons. No rentals of the facility shall be allowed for greater than 72 persons in attendance.

6.5. District Representatives. The Operating District Board may, in its discretion, condition rental of the Clubhouse upon the requirement that one or more Operating District representatives be in attendance for the event for which the facility is rented. In all such cases, the persons renting the Clubhouse shall be responsible for any costs associated with attendance by the District representatives.

6.6. Rental Rates. The rental rate and Security Deposit for the Clubhouse will be established by the Operating District from time to time in its sole discretion. The security deposit will be fully refundable in accordance with the terms set forth in the form of agreement for Clubhouse reservations.

Article VII

LANDSCAPED COMMON AREAS

7.1 Park and Picnic Areas. The open green areas are intended for general play, recreational use, and picnics. Users shall report all broken or damaged equipment to the District Manager, as well as any other items, such as broken glass, which could be hazardous or harmful to persons utilizing these areas. No motorized bikes or vehicles are allowed in the park areas or on the bike paths.

Article VIII

ENFORCEMENT

8.1. Disorderly or Offensive Conduct. The Operating District and its authorized representatives may request any User to cease conduct that:

1. Violates any part of the Rules and Regulations or the Policies and Procedures; or

2. Interferes with, or is abusive, toward any employee in the normal operation of the Recreation Amenities; or
3. Interferes with the use or enjoyment of the facilities by any User or User's guest, or is abusive to any such person; or
4. Is abusive or damaging toward any of the Recreation Amenities.

In the event that the offending party fails to cease such conduct after being requested and warned to do so, the attendant or District Manager is authorized to use all reasonable means he or she deems necessary to stop such conduct. This includes, but is not limited to, having the offender removed from the Recreation Amenities and barred from further privileges to use the Recreation Amenities without the necessity of any action of the Operating District Board, for a time period to be determined by the District Manager, but in any case not to extend beyond the next regular meeting of the Operating District Board at which a quorum of Directors is present. All such removals shall be reported to the District Manager.

8.2. Violation of Recreation Amenities Policies. If the District Manager, in his sole discretion, determines that any party has engaged in conduct defined in Section 8.1, disciplinary measures shall be administered by the District Manager as follows, without the necessity of any action of the Board:

First offense:	Verbal warning
Second offense:	Restricted from the Recreation Amenities for 1 month
Third offense:	Restricted from the Recreation Amenities for 1 year

The Operating District Board shall be notified of all disciplinary measures by the District Manager and shall, in its discretion, have the ability to impose other disciplinary measures as it deems appropriate at any point in time, which may include revocation of Recreation Amenities privileges for a User and/or User's family members and guests. Any violations and disciplinary measures taken will be recorded in writing and kept on file by the District Manager. All violations may be reported to local law authorities as deemed necessary by the District Manager or the Operating District Board.

EXHIBIT A
Information Form

OFFICE USE ONLY
Member # _____
In Household _____
Reg Date ____/____/____
Cancel Date ____/____/____
Date Closed ____/____/____
Computer

Tallyn's Reach
Registration Form

Family Name: _____

Address: _____

Father's Name: _____

Birth date ____/____/____ Telephone # _____

Mother's Name: _____

Birth date ____/____/____

Children's Names	Sex	Birth date
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Business: _____ (Father)

_____	M/F	____/____/____
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Address: _____

_____	M/F	____/____/____
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Telephone: _____

_____	M/F	____/____/____
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Business: _____ (Mother)

_____	M/F	____/____/____
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Address: _____

_____	M/F	____/____/____
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Telephone: _____

_____	M/F	____/____/____
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Emergency Contact: _____ Telephone # _____
(Other than immediate family)

EXHIBIT B

USER RELEASE FORM

**TALLYN'S REACH
DISCLAIMER OF LIABILITY**

It is expressly agreed that use of the Recreation Amenities and participation in activities or events at the Recreation Amenities shall be undertaken by a member or guest at his/her sole risk, and the Recreation Amenities shall not be liable for any injuries or any damage to any member or guest, or be subject to any claim, demand, injury or damages whatsoever, irrespective of cause or origin and the negligence of Tallyn's Reach Metropolitan District or its agents, servants, assigns, or employees, or otherwise. It is expressly understood and acknowledged that any and all use of the Recreation Amenities shall be wholly unsupervised and at such User's sole and unilateral risk. Tallyn's Reach Metropolitan District shall not be responsible or liable to members or their guest for articles damaged, lost, or stolen, in or about the Recreation Amenities, or in lockers; or for loss or damages to any property including but not limited to automobiles and the contents thereof.

User hereby attests that User has 1) read and understands the above and has received a copy of this disclaimer and 2) that User has received, read and understands the Policies and Procedures Governing the Tallyn's Reach Clubhouse and Recreation Amenities.

NAME	ADDRESS	SIGNATURE	DATE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT C

Release Form for Minor's Use of Recreation Amenities

I, _____, hereby authorize _____, a
(parent or legal guardian) (minor)

a minor between the age of 14 and 18 to use the Metropolitan District (initial one or all of the following to be authorized) _____ Pool, _____ Tennis Court, without my or any other legal guardian's presence. In making such authorization, I acknowledge and agree any activities engaged in at the indicated facilities by said minor will be wholly unsupervised by a lifeguard or other attendant and shall be at the minor's sole and unilateral risk. Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") shall not be liable for any injuries or damages caused or incurred by said minor, or be subject to any claim, demand, injury or damages whatsoever, irrespective of cause or origin and the negligence of the Districts' agents, servants, assigns, or employees, or otherwise.

It is agreed and understood that Minor's unsupervised use of the above indicated use of the Recreation Amenities may be revoked at any time by the District Manager in the event that said minor disregards or otherwise violates any District Rules and Regulations, policies or otherwise engages in conduct inappropriate for use of the Recreation Amenities.

By: _____
Date: _____

Pool and Tennis Court Rules

Hours

Pool hours will be from 10:00 AM until 8:00 PM daily through Labor Day. Tennis courts will be open dawn to dusk daily.

Prohibitions

No person shall at any time have or take into the Pool Area:

- Glass bottles or glass products;
- No children under 14 permitted without a parent or legal guardian;
- All non-swimmers must be accompanied in the water by a parent or guardian;
- Appropriate attire required;
- No intoxicating liquor, drug or similar substance;
- Animals (except for guide dogs or other handicapped aides);
- Bicycles, roller-skates, roller-blades, scooters or skateboards are not allowed in the pool area, walkways or sidewalks;
- Lifeguard will be on duty when available, at all other times residents will swim AT THEIR OWN RISK.

Tennis

- Only tennis is allowed on courts;
- Only soft-soled shoes shall be worn;
- One hour time limit when other players are waiting;
- Proper tennis etiquette should prevail to resolve disputes;
- No bicycles, roller-skates, roller-blades, scooters or skateboards allowed on courts;
- No glass containers;
- Appropriate dress required.

EXHIBIT E

TALLYN'S REACH CLUBHOUSE RESERVATIONS

1. Only Voting Members and/or spouses can reserve the Clubhouse and a resident must be in attendance at all times.
2. Members may book the Clubhouse up to 6 months in advance.
3. Members are responsible for any permits required (i.e. liquor permits) and catering services required.
4. The rental rate is \$10 per hour with a 4 hour minimum.
5. The group is restricted to a maximum of 72 people.
6. Use of the Clubhouse is restricted to 12 Midnight. The premises must be completely vacated by 1:00 A.M.
7. Security will be provided after normal club hours.
8. A \$300.00 Damage Deposit must be provided in the form of a check by the member before any group function is confirmed.
9. The resident will be responsible for picking up litter in the building and surrounding grounds, putting it in garbage bags, setting up and putting away tables, chairs and furniture and removal of containers (i.e. bottles, cans). Trash bags are to be tied and placed in the dumpster out side the Clubhouse.
10. **NO CONFETTI** is allowed on or around the Clubhouse premises.
11. **NO SMOKING in the Clubhouse, SMOKING is ONLY PERMITTED** outside.
12. Cancellation of the booking must be done at least two weeks prior to the reserved date. A \$50 cancellation fee will be assessed if not cancelled two weeks prior to reserved date.
13. Management reserves the right to refuse functions not suitable for the facility.
14. Members are responsible for turning off lights and appliances and making sure doors are all secured before leaving the premises.
15. Members are to report any problems immediately to the Manager.
16. Clubhouse can be booked through the Manager.

TALLYN'S REACH CLUBHOUSE

RULES AND REGULATIONS

All Residents and their guests are permitted the use of the Clubhouse entirely at their own risk and subject to the following Rules and Regulations.

Hours

The Clubhouse is by reservation only. Hours will be posted accordingly. No one will be permitted in the Clubhouse except during the hours specified.

Memberships

Residents will be issued one Card Key per family that is exclusive and personal to that particular family; this card is NOT TRANSFERABLE. It is a serious breach of the Rules and Regulations to lend a Card Key to another person. The Card Key is required to gain entry into the Clubhouse and Pool. Members at the Clubhouse should carry their Card Key at all times and present it for inspection upon request of the Manager, Staff or Security Guard.

Card Keys remain the property of the Residents Association and require cards to be returned to the Residents Association if the holder of the card breaches these rules or moves from the Tallyn's Reach community

THE CARD KEY WILL ONLY BE ISSUED TO REGISTERED OWNERS.

Guests.

- Each Member is permitted a maximum of five guests (more guests may be permitted by special arrangements made with the Manager in advance);
- All guests must be accompanied by a member;
- A family member under the age of 16 years may not have more than two guests at one time;
- Homeowner Members are at all times responsible for the action of their family members and their guests, or their family members' guests;
- Children 12 and under must be accompanied by an adult.

EXHIBIT C
Joint Resolution and First and Second Amendments
to Joint Resolution Concerning the Imposition of
District Development Fees

**JOINT RESOLUTION CONCERNING THE IMPOSITION
OF DISTRICT DEVELOPMENT FEES**

WHEREAS, pursuant to orders of the District Court of Arapahoe County, Colorado, entered in November 1998, Tallyn's Reach Metropolitan District No. 1, Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3 were duly and validly created as metropolitan districts in accordance with all applicable law and are empowered under a Consolidated Service Plan; and

WHEREAS, the Districts are authorized pursuant to C.R.S. §32-1-1001(1)(j) to fix fees, rates, tolls, charges and penalties for services or facilities provided by the Districts which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Districts' Consolidated Service Plan, as amended, ("Service Plan") similarly empowers the imposition of such fees and rates for services and facilities provided by the Districts; and

WHEREAS, Tallyn's Reach Metropolitan Districts Nos. 1, 2 and 3 desire to authorize the establishment of Development Fees for costs associated with the construction, operation, maintenance, and landscaping of District public improvements, including but not limited to parks, recreation facilities, and trails which District residents shall be entitled to use, in addition to other improvements to be provided within the boundaries of the Districts; and

NOW, THEREFORE, be it resolved by the Boards of Directors of the Districts as follows:

1. A one-time "Development Fee" is hereby established for each dwelling unit to be constructed within the Districts. All single-family attached or detached residences and each multi-family residence shall be considered "dwelling units" under this Resolution. The Facility Fee shall be established for all single-family residences in the amount of: \$3,000 per each detached single family residence. Each apartment dwelling unit shall pay twenty-five percent (25%) of the detached single family residence rate and all other multi-family or attached single family residences shall pay fifty percent (50%) of the detached single family rate unless determined otherwise by the Board of Directors of the Districts. Such Development Fee rate shall be automatically increased by five percent (5%) rounded to the nearest twenty-five dollars (\$25.00) on January 1 of each year commencing January 1, 2001 until no dwelling units remain to be constructed within the Districts.

2. All Development Fees established hereunder shall be due and owing to Tallyn's Reach Metropolitan District No. 1 not later than the date a building permit is obtained by the owner of any portion of the property within the Districts upon which a dwelling unit may be constructed. The amount of each Development Fee due hereunder shall be at the rate in effect at the time of such payment. Any Development Fee which is not paid when due and owing shall be assessed a late

penalty of five percent (5%) per month.

3. Notwithstanding anything contained in this Resolution to the contrary, no Development Fee shall be due from or with respect to any real property within Tallyn's Reach Metropolitan Districts Nos. 1, 2 or 3 for (a) any school site dedicated to the Cherry Creek School District provided that the acreage of said site does not exceed 11 acres; (b) any property dedicated or conveyed to a homeowners association serving property within the Districts which does not exceed 10 acres in size; and (c) any property required by the City of Aurora to be dedicated to the City of Aurora or the public or other governmental entity for public rights-of-way, or required to be conveyed to Tallyn's Reach Metropolitan District No. 1 for operations of public facilities, including but not limited to streets, trails, sidewalks, landscape areas and similar facilities.

4. All fees contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the Districts or to be provided by the Districts within a reasonable time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by improvements of the Districts and shall run with the Property and remain in effect as to any portion of such property as to which the appropriate fee has not been paid. All liens contemplated herein may be foreclosed in any manner authorized by law at such time as the Districts may determine that Fees hereunder have not been paid as required.

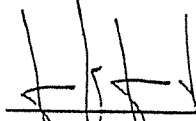
5. The Districts may enter into agreements for the prepayment of Development Fees in order to permit property owners to avoid scheduled increases in the Development Fee rate per dwelling unit. The rate for such prepaid Development Fees shall be the rate of the then-current Development Fee at the time of prepayment rather than the rate in effect at the time a building permit is obtained for the dwelling unit to which such prepaid Development Fee shall be allocated.

6. Invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Resolution.

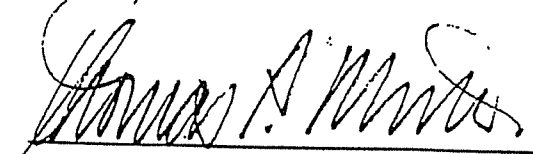
ADOPTED AND APPROVED this 24 day of August, 1999.

TALLYN'S REACH METROPOLITAN DISTRICT NO. 1

ATTEST:



Ross B. Brazil, Secretary

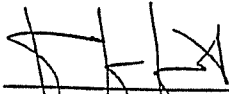


Thomas P. Morton, President

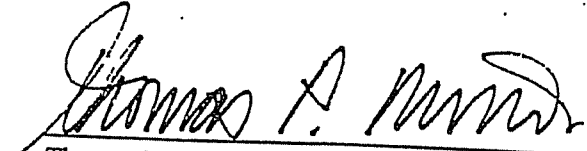
(SEAL)

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 2

ATTEST:



Ross B. Brazil, Secretary

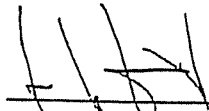


Thomas P. Morton, President

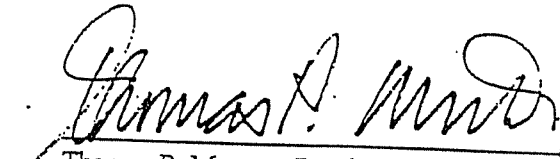
(SEAL)

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 3

ATTEST:



Ross B. Brazil, Secretary



Thomas P. Morton, President

(SEAL)

**FIRST AMENDMENT TO
JOINT RESOLUTION CONCERNING THE IMPOSITION
OF DISTRICT DEVELOPMENT FEES**

WHEREAS, on or about August 24, 1999, Tallyn's Reach Metropolitan Districts Nos. 1 - 3 (the "Districts") adopted a Joint Resolution Concerning the Imposition of District Development Fees (the "Resolution"); and

WHEREAS, the Districts desire to amend the Resolution in order to conform to §29-1-1102, C.R.S., which became effective January 1, 2000, and imposed limits on the amount of late fees that can be charged by a local government.

NOW, THEREFORE, be it resolved by the Boards of Directors of the Districts that the Resolution shall be fully restated and amended as follows:

1. Paragraph 2 of the Resolution shall be amended and restated as follows:

All Development Fees established hereunder shall be due and owing to Tallyn's Reach Metropolitan District No. 1 not later than the a building permit is obtained by the owner of any portion of the property within the Districts upon which a dwelling unit may be constructed. The amount of each Development Fee due hereunder shall be at the rate in effect at the time of such payment. Any Development Fee that is not paid in full within five (5) days after the scheduled due date shall be assessed a late fee of five percent (5%) per month, not to exceed twenty-five percent (25%) of the amount due, pursuant to §29-1-1102(3), C.R.S. Interest will also accrue on the outstanding fee, exclusive of assessed late fees, due at the rate of 18% per annum pursuant to §29-1-1102(7), C.R.S.

EFFECTIVE as of the 5th day of February, 2000.

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ATTEST:

Kevin D. Lund
Kevin Lund, Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 1

Thomas P. Morgan
Thomas P. Morgan, President

(SEAL)

ATTEST:

Kevin D. Lund
Kevin Lund, Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 2

Thomas P. Morton
Thomas P. Morton, President

(SEAL)

ATTEST:

Kevin D. Lund
Kevin Lund, Secretary

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 3

Thomas P. Morton
Thomas P. Morton, President

(SEAL)

**SECOND AMENDMENT TO JOINT RESOLUTION CONCERNING
IMPOSITION OF DISTRICT DEVELOPMENT FEES**

WHEREAS, on or about August 24, 1999, Tallyn's Reach Metropolitan District Nos. 1-3 (the "Districts") adopted a Joint Resolution Concerning the Imposition of District Development Fees (the "Resolution"); and

WHEREAS, the Districts desire to amend the Resolution to include a General Operations Fee to be imposed upon residents and property owners on a monthly basis.

NOW, THEREFORE, be it resolved by the Boards of Directors of the Districts as follows:

1. Paragraph 2 of the Resolution shall be amended and restated in its entirety as follows:

All Development Fees established hereunder shall be due and owing to Tallyn's Reach Metropolitan District No. 1 not later than the date upon which any portion of the property within the Districts upon which a dwelling unit may be constructed is initially transferred to a buyer by Carma Colorado, Inc. The amount of each Development Fee due hereunder shall be at the rate in effect at the time of such payment. Any Development Fee that is not paid in full within five (5) days after the scheduled due date shall be assessed a late fee of five percent (5%) per month, not to exceed twenty-five percent (25%) of the amount due, pursuant to §29-1-1102(3), C.R.S. Interest will also accrue on the outstanding fee, exclusive of assessed late fees, due at the rate of eighteen (18%) per annum pursuant to §29-1-1102(7), C.R.S.

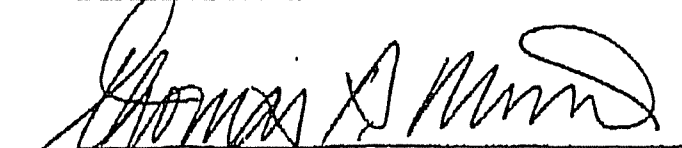
2. A new Paragraph 2-A shall be inserted and shall read as follows:

A General Operations Fee of forty-five dollars (\$45) per month per completed dwelling unit within the Districts is hereby established for the costs associated with the operation and maintenance of District facilities built within the boundaries of the Districts and for costs associated with the recreation, landscaped, and common areas of the Districts. Said fee will be collected commencing with the first full calendar month after the month during which a certificate of occupancy is issued by the City of Aurora for a completed dwelling unit or equivalent unit. A dwelling unit shall be "completed" as of the date said certificate of occupancy is issued. A late fee of fifteen dollars (\$15) will be assessed for all General Operations Fees that are not paid in full within five (5) days after the scheduled due date pursuant to §29-1-1102(3), C.R.S. Interest will also accrue on the outstanding General Operations Fees due, exclusive of the fifteen dollar (\$15) late fee, at the rate of eighteen percent (18%) per annum pursuant to §29-1-1102(7), C.R.S.


3. With the exception of the aforesaid amendment, all other provisions of this Resolution shall remain in full force and effect.

ADOPTED AND APPROVED this 19th day of December, 2000.

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 1

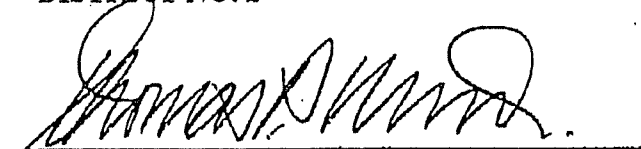

Thomas P. Morton, President

ATTEST:

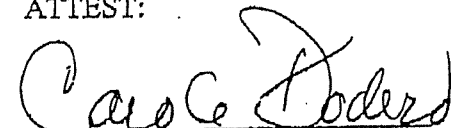

~~Kevin D. Lund, Secretary~~
CAROL DODERO

(SEAL)

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 2

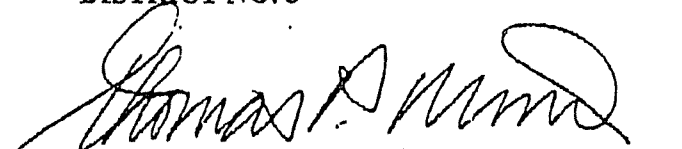

Thomas P. Morton, President

ATTEST:

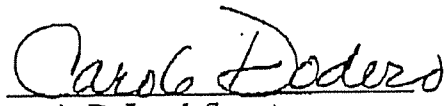

~~Kevin D. Lund, Secretary~~
CAROLE DODERO

(SEAL)

TALLYN'S REACH METROPOLITAN
DISTRICT NO. 3


Thomas P. Morton, President

ATTEST:


~~Kevin D. Lund, Secretary~~
CAROLE DODERO
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(SEAL)