

**AMENDED AND RESTATED
BY-LAWS OF
MT. ELBERT WATER
ASSOCIATION, INC.**

By-Laws

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AMENDED AND RESTATED
BY-LAWS OF
MT. ELBERT WATER ASSOCIATION, INC.

ARTICLE 1. INTRODUCTION AND PURPOSE

These are the Amended and Restated Bylaws of the Mt. Elbert Water Association, Inc., which Association operates under the Colorado Revised Nonprofit Corporation Act, as amended.

The purposes for which the Association is formed are to operate and govern the water system serving certain Lots within the Pan-Ark subdivision through a non-profit corporation known as Mt. Elbert Water Association; and to provide for the operation, administration, maintenance, preservation and improvement of the water system for the benefit of the Members.

ARTICLE 2. DEFINITIONS

"Association" shall mean the Mt. Elbert Water Association, a Colorado non-profit corporation whose address is 312 Mt. Elbert Dr., Twin Lakes, Colorado 81251.

"Board of Directors" shall mean those Lot Owners elected by the Membership of the Association to serve the Association as provided in a Associations Bylaws.

"Certificate" shall mean a Water Tap Certificate, Water Tap/Hydrant Certificate and/or a Water Tap/Stub Certificate. Certificates shall be appurtenant to the Lot and shall be conveyed with the sale of a Lot, regardless of mention in the deed, unless a valid Transfer of Water Tap Certificate has been recorded in the real property records of Lake County, Colorado.

"Certificate Holder" shall mean the Owner(s) of a Lot to which a Certificate has been issued.

"Lot" shall mean any Lot within the Subdivision.

"Lot Owner" "Owner" shall mean any Owner of a Lot in the Subdivision,

"Main Water Line" shall mean the primary water line running through a road within the Subdivision which is a part of the Mt. Elbert Water System to which Water Taps may be connected to provide water service to an individual Lot. Main Water Lines have not been fully extended on all roads within the Subdivision and may also need to be extended in order for water service to be provided to a particular Lot.

"Membership Fees" shall mean an annual fee, including any sums necessary to repay the existing USDA loan, special assessments (if any), interest, late fees, costs, attorneys fees, penalties, and other fees incurred by Association in the operation, maintenance, repair, and improvement of the components of the Mt. Elbert Water System.

"Mt. Elbert Water System" shall mean all water lines, pumps, components, operating stations, water rights, real property, and other items comprising or necessary or proper for the operation, maintenance, repair and replacement of the water system which serves the Lots within the Pan Ark Estates Subdivision, Lake County, Colorado.

"Service Lines" shall mean any water line extending from the Main Water Line to an individual Lot. Service Lines shall be excluded from the Mt. Elbert Water System and shall be owned and maintained by the Certificate Holder and/or Lot Owner.

"Subdivision" shall mean Pan-Ark Estates, which consists of the Twin Lakes Addition No. 1-A, No. 1-B and No. 1-C which are more particularly described on the attached Exhibit A.

"Transfer of Water Tap Certificate" shall mean a document, acknowledged by the Association, and recorded in the real property records of Lake County, Colorado which memorializes the transfer of a Certificate from one Lot to another Lot.

"Transfer Fee" shall mean the fee, as determined by the Board of Directors of the Association, charged by the Association to cover the administrative costs of transferring a Certificate.

"Water Tap" shall mean the connection purchased for each Lot to allow that Lot to connect with the Association's Main Water Line.

"Water Tap Certificate" shall mean the certificate issued upon payment of the Water Tap Fee which demonstrates ownership of a Water Tap and the right to connect to the Association's Main Water Line.

"Water Tap Fee" shall mean the fee to be paid to the Association, as determined by the Board of Directors of the Association, from time to time, for the right to connect to the Association's Main Water Line

"Water Usage Fee" shall mean the fee charged to each Certificate Holder and/or Lot Owner from the time a physical connection is made of Service Line to an improvement upon a Lot and/or a water hydrant which is located on a Lot is utilized to provide water for more than seven (7) days during any calendar year. The Board of Directors shall set all rates for water usage in its sole discretion. Water Usage Fees may be levied monthly, quarterly, bi-annually, annually, as determined by the Board of Directors.

"Water User" shall mean the Certificate Holder and/or Lot Owner from the time a physical connection of an improvement upon a Lot is made to the Main Water Line and/or a water hydrant which is located on a Lot is utilized to provide water for more than seven (7) days during any calendar year.

