

## EXHIBIT C

### CERISE RANCH

#### DOMESTIC WATER, IRRIGATION WATER AND WASTEWATER RULES AND REGULATIONS

THE FOLLOWING RULES AND REGULATIONS SHALL GOVERN THE OPERATION AND ADMINISTRATION OF THE CENTRAL DOMESTIC WATER SYSTEM, CENTRAL IRRIGATION WATER AND INDIVIDUAL WASTEWATER SYSTEMS OF CERISE RANCH, PURSUANT TO THE DECLARATION (AS DEFINED BELOW).

#### NOTICE

The central water system and sanitary sewer system are owned and operated by the MVMD (as defined below). All lot owners are required to comply with the MVMD's Rules and Regulations and Technical Specifications. To the extent that the CRPOA (as defined below) rules and regulations conflict with the MVMD's Rules and Regulations, the MVMD's Rules and Regulations shall govern.

#### SECTION 1

#### DEFINITIONS

- 1.1 **Declaration** shall mean collectively that certain Declaration of Covenants, Conditions, Restrictions and Easements for the Cerise Ranch Subdivision, Phase 1, recorded in the records of the Clerk and Recorder of Garfield County, Colorado on December 12, 2000, at Reception No. 575832, as supplemented by that certain Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for the Cerise Ranch Subdivision, Phase 2, recorded September 27, 2001, at Reception No. 589154, as amended by First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for the Cerise Ranch Subdivision, recorded September 25, 2003 at Reception No. 637392, Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for the Cerise Ranch Subdivision, recorded December 4, 2003 at Reception No. 642257, and as same may be further amended from time to time.
- 1.2 **MVMD** shall mean the Mid Valley Metropolitan District, a Colorado special district. All Lots will receive domestic water service from the MVMD, and all lots included within the MVMD will receive sanitary sewer service through the MVMD in accordance with the MVMD's Pre-Inclusion Agreement applicable to each lot. All lots within the Cerise Ranch must comply with the MVMD's Rules and Regulations adopted December 18, 2001, as amended from time to time, including, without limitation, (i) paying to the MVMD its water and/or sewer tap fees, at the rates then in effect, and (ii) paying to the MVMD its service surcharge fee, if included within the MVMD, and (iii) complying with the MVMD's Technical Specifications and Procedures.

## SECTION 2

### OWNERSHIP OF SYSTEMS

- 2.1 **Central Domestic Water System.** The central domestic water system is the property of the MVMD and as such, all of the lots within the Cerise Ranch are subject to the rules and regulations of the MVMD. The central domestic water system shall include all wells, water storage tanks, water treatment equipment, water system monitoring and control equipment, pumps, other appurtenances used in the operation of the domestic water system, and the water distribution system piping to the point of connection of individual service lines as described in section 3.4, below. Any water service extending from a corporation stop on a MVMD central domestic system water main to its point of use on a lot shall be the property of the lot Owner and all costs related to the installation and maintenance of such service line shall be the obligation of the lot Owner. Those lots which have not included into the MVMD will be provided domestic water as “Out of District Service” and will be billed for water tap fees and service charges accordingly.
- 2.2 **Individual Wastewater Treatment Systems.** Lots not included within the MVMD will be served by individual wastewater treatment systems (sometimes referred to herein as ISTS). The ISTS installed to serve the wastewater treatment requirements of each individual lot shall be the property of the lot Owner and all costs related to the installation, inspection, maintenance, and repair of such wastewater treatment system shall be the obligation of the lot Owner. Should an individual wastewater treatment system be discovered to be defective or in need of maintenance or repair and the individual wastewater treatment system is not repaired or replaced by the lot Owner within fifteen (15) days following discovery of such defect, CRPOA may, but is not required to, repair or replace such individual wastewater treatment system and the costs thereof shall be charged to and paid by the lot Owner. For repairs costs estimated to exceed \$1000.00 during any calendar year, additional remedies such as fines and discontinuance of domestic water service may be sought by the CRPOA pursuant to Section 9.4 of the Declaration. Further, CRPOA shall have a lien for delinquent charges against any lot to which such costs apply, which lien may be foreclosed in the manner provided for the foreclosure of a mortgage under the laws of the State of Colorado and as in accordance with Article XI of the Declaration. Any provision herein to the contrary notwithstanding, CRPOA reserves and shall at all times have a right of access to all wastewater treatment systems and other facilities necessary for CRPOA to carry out its lawful functions.
- 2.3 **Central Sewage Collection System.** Except as provided below, all lots included within the MVMD are required to connect to the central sewage collection system. Lots 5, 61 and 68 have existing ISTS systems and are included within the MVMD. In accordance with the inclusion agreements for those lots and any other lots which have ISTS systems and subsequently include into the MVMD, the ISTS systems may be operated until they fail or require repairs that cost in excess of the MVMD sewer tap fee then in effect, at which time those lots will be required to connect to the central sewage collection system. The central sewage collection system is the property of the MVMD, and all lots are subject to the rules and regulations of the MVMD. The central sewage collection system shall include all manholes, lift stations, force mains, pumps and control equipment, other appurtenances used in the operation of the system, and the sewage collection system piping to the point of connection of individual service lines as described in section 3.4, below.

2.4 **Central Irrigation Water System.** The central irrigation water system shall be the property of the CRPOA. The central irrigation water system shall include all irrigation water rights, irrigation ditches, irrigation control structures, water storage ponds, siphons, other appurtenances used in the operation of the irrigation water system, and irrigation system piping to the “point of diversion” on individual lots. The “point of diversion” on an individual lot shall be the headgate or control valve for any ditch lateral or pipeline, or the point of intake for any pump, constructed or installed to divert water from the central irrigation water system to serve that individual lot. Capital improvements to such central irrigation water system in the future, including by way of illustration and not limitation, additional water storage ponds, shall become the property of CRPOA. Any irrigation water service extending from a CRPOA central irrigation system ditch or pipeline to its point of use on a lot shall be the property of the lot Owner and all costs related to the installation and maintenance of such service line, headgate, valves, intake screen or pump system, shall be the obligation of the lot Owner. This includes the construction of any water amenity feature on any lot pursuant to these Guidelines as described in Section 5.5 below. Due to the vagaries of a gravity water supply through any ditch, pond, or irrigation source of supply owned by CRPOA (referred to as the central irrigation system), CRPOA will not be responsible for any failure to deliver water in any quantity, or at any time, and CRPOA shall not under any circumstance be responsible for any damage that may result to any private irrigation system, any pump, motor or control, as a result of a diminishment or cessation of the irrigation water supply. CRPOA strongly recommends the installation of a sensor on private systems to prevent the pump motors from starting/running when no water is available. Any provision herein to the contrary notwithstanding, CRPOA reserves and shall at all times have a right of access to all service lines and other facilities necessary for CRPOA to carry out its lawful functions.

### SECTION 3

#### USE OF SYSTEMS

- 3.1 **Unauthorized Acts.** No person or entity shall uncover, make any connection with or opening into, use, discharge into, alter or otherwise disturb any portion of the MVMD water or sewer system without first obtaining the MVMD’s prior written permission.
- 3.2 **Authorized Connections.** Connections to the MVMD’s water system shall be made only in accordance with such procedures and specifications and utilizing such materials as required by the MVMD’s Rules and Regulations. The MVMD has approved a variance allowing the use of “Pure-Core” pipe for water service lines within Cerise Ranch; provided that all service line extensions constructed after April 6, 2004 using “Pure-Core” piping shall include a trace wire. Service line and trace wire construction shall conform with the requirements of the MVMD’s Rules and Regulations and the variance granted April 6, 2004.
- 3.3 **Maintenance of Service Lines.** Leaks or breaks in service lines shall be repaired by the lot Owner as soon as possible but in no event more than 72 hours after discovery of such leak or break. For purposes of these Rules and Regulations, the term “service line” shall mean the entire pipe line, including all appurtenances extending from the MVMD main line, to the point of use on the Owner’s property.

- 3.4 **Water Meters.** Prior to receipt of water service from the MVMD water system, a lot Owner must install, at the lot Owner's sole expense, a water flow meter and remote readout meeting the rules and regulations of the MVMD.
- 3.5 **Back Flow Protection.** All water service installations shall include back flow/cross connection prevention devices in accordance with the specifications and procedures established by the MVMD.
- 3.6 **Pressure Reducing Valves.** Pressure reducing valves shall be installed by all lot owners as required by the MVMD.



- 3.7 **Water Usage.** For lots not served by the raw water irrigation system, the surface area (square feet) of outside lawn and landscape irrigation provided by the potable water system shall not exceed 3000 sf for standard lots and 4500 sf for lots with approved for an accessory dwelling unit. For all lots served by the raw water irrigation system, the surface area of outside lawn and landscape irrigation provided by the potable water system shall not exceed 500 sf of the surface area of outside lawn; and landscape irrigation provided by the raw water irrigation system shall not exceed one acre. Water drawn from the raw water irrigation system for individual lot water amenity features shall circulate through the feature and be returned to the raw water irrigation system with no consumptive use other than evaporation. Water amenity features on any individual lot shall only operate with water from the raw water irrigation system and shall only be operational during the irrigation season.

- 3.8 **Wastewater Discharge Restrictions.** All discharges into the MVMD sanitary sewer system shall comply with the MVMD's Rules and Regulations. No person shall discharge, or cause to be discharged, to any individual wastewater treatment system, any harmful waters or wastes, whether liquid, solid or gas, capable of causing obstruction to the flow in individual sewers, damage or hazard to individual wastewater treatment system structures, equipment or personnel, inhibiting the biological activity in individual wastewater treatment facilities, interfering with the proper operation of such individual wastewater treatment system, or causing a violation of Federal, state or local laws. Prohibited discharges shall include but not be limited to the following wastes:

- (a) Water from storm drains, roof runoff, drainage collection systems, surface runoff, sub-surface drainage, or cooling processes.
- (b) Any water or wastes containing grease, oil, hydrocarbons, fatty acids, soaps, fats, or waxes which exceed 50 mg/l as determined by solvent (Freon) extraction.
- (c) Any waste having a temperature higher than one hundred fifty (150) degrees Fahrenheit (66°C).
- (d) Any waste having a pH value lower than 5.5 or greater than 9.0.
- (e) Any toxic substance or substance requiring pretreatment, as those terms are defined in 40 Code of Federal Regulations §403, as amended from time to time, unless otherwise covered under this section.
- (f) Any radioactive wastes or isotopes.

## SECTION 5

### CERISE RANCH IRRIGATION SYSTEM

- 5.1 All lots shall share in the cost of maintenance of the irrigated open space. Billings will be made through the CRPOA dues.
- 5.2 Ditch maintenance shall be performed under the direction of the CRPOA on the property and to the head gates of each ditch on Blue Creek.
- 5.3 The Harris and Reed Ditch is an incorporated ditch owned and operated by the Harris and Reed Ditch Company. CRPOA's share of the maintenance and operation costs will be billed to the CRPOA in the form of ditch assessments on a per share basis.
- 5.4 Each lot Owner shall be limited to one acre of raw water irrigation with a maximum instantaneous flow of 50 gpm every other day from the ditch system.
- 5.5 A limited number of lots may be approved by the CRPOA through its Design Review Board to incorporate a water feature. Approval or disapproval of a water feature for any particular lot shall be within the sole and absolute discretion of the CRPOA. The water for these private amenities shall be drawn from and returned to the Cerise Ranch Irrigation System and shall only be operational during the irrigation season when the raw water irrigation system is running.
- 5.6 Driveways must not interrupt the flow in the irrigation ditches. If the ditch must be lowered to accommodate driveway access to any lot, an inverted siphon shall be used so as not to interrupt flow in the ditch. An example of an inverted siphon is attached hereto as Exhibit B and incorporated herein.
- 5.7 Taps into the raw water irrigation system shall generally be made at the upper end of each lot, a minimum of 5 feet from the property line. The raw water irrigation system at Cerise Ranch is a combination of open and pipes. The pipelines are siphons and the water pressure in these pipes will vary along their length. Taps may be made into either the open ditch or the pipeline. Taps shall be made as detailed in Exhibit C for taps into the pipeline and Exhibit D for the open ditch.
- 5.8 Each lot utilizing the raw water irrigation system shall be required to incorporate a 500 to 1000 gallon storage reservoir or tank sized to store 100% of the water required for each complete cycle of irrigation. (i.e. if 3000 square feet is to be irrigated, the tank must provide sufficient storage to provide 100% of the water required to irrigate the entire 3000 square feet). Irrigation water used on each lot is to be drawn from this reservoir to avoid reducing water levels in the ditch or pipeline. All storage tanks are to be equipped with a locking cover, and those tapped into the pipeline or located downhill of the open ditch will be required to have a water tight cover. The DRB may approve the use of a pond as a storage reservoir for the raw water irrigation system for a lot, provided that the pond is a part of a Water Feature approved pursuant to Section 5.5 of these Rules and Regulations.

ATTACHMENT A  
(of Exhibit C, Water Rules and Regulations)

CERISE RANCH FEES SCHEDULE

(Effective as of January 25, 2008 – Subject to change from time to time at discretion of Design Review Board upon approval by the CRPOA Board of Directors.

**Water System Development Fees**

Water Feature (up to 7,000 square feet of surface area)      Cost to be determined by CRDRB.



Water System Development Fees are fees due to the CRPOA and are separate from and additional to any and all fees due to the MVMD.