

**STIRLING RANCH PROPERTY OWNERS ASSOCIATION, INC.
WATER USE POLICY AND RULES**

SUBJECT: This policy establishes rules for water use, water allocation limits, and owner responsibilities under applicable law.

PURPOSE: The Association is obligated to manage and distribute water resources in compliance with applicable Colorado statutes, regulations, and limitations imposed by water rights adjudicated through the Colorado Water Courts, and Water Court decrees. This policy establishes the standards, restrictions, and procedures governing the delivery, consumption, and conservation of water by Owners and residents, in order to preserve the community's water supply for current and future needs while maintaining compliance with all legal and decree-based requirements. This Water Use Policy is adopted by the Association to ensure responsible, equitable, and lawful use of water within the community.

AUTHORITY: The Declaration, Articles of Incorporation, Bylaws of the Association (collectively the Association's "Governing Documents"), Colorado Statutes, Regulations, and Water Court Decrees.

EFFECTIVE

DATE: This Policy is Effective May 1, 2026.

RESOLUTION: The Stirling Ranch Property Owners Association, Inc. (the "Association" or "Stirling Ranch") hereby adopts the following policy and rules relating to Water use in the community. Stirling Ranch has its own legal and physical water supply. The water which may be used within the subdivision for potable uses is produced from wells. As set forth in that certain water decree, the amount of water that legally may be pumped from all wells, combined, and used within the subdivision is limited by Water Court decrees and Division of Water Resources Well Permits. This may be different from the amount of water that physically may be pumped from the wells. The lesser of the two is the limit to which the subdivision is required to comply.

In addition, the Second Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Stirling Ranch, P.U.D., recorded on May 2, 2003 at Reception No. 626568, as amended ("Declaration") specifies in Article 12, Section 12.3.4, that no lot may irrigate more than 3,000 square feet of lawns and gardens. This limitation corresponds to the Water Court decrees.

Over usage threatens the ability of the physical system to supply water on a long-term basis and carries the risk of state enforcement. Accordingly, the Board establishes the following rules and regulations respecting water use, which are derived from and shall supplement the rules and regulations, standards, and specifications contained in the various Water Court decrees owned by the Property Owners Association, the Declaration, and the Design Review Board Guidelines.

1. **Per the DRB Design Guidelines, each house is required to have a functioning water meter monitoring the water use for the entire Lot.** The Board may require the use of specific water meters at each Lot. If a house does not have the required functioning water meter, the Board shall send a notice of violation to the owner advising the owner of such. The lot owner shall have 30 days to cure this violation. If the lot owner fails to have a functioning water meter after the 30-day cure period has expired, the lot owner shall be subject to a \$200 penalty each month until the violation is cured.
2. **The allowable irrigated area each lot may have is 3,000 square feet.** This equates to roughly an area that is 55' by 55'. This is fairly typical of central well-water system limitations on Missouri Heights.
3. **Irrigation times.** Except for hand watering of gardens and beds, all lawn, tree, and shrubbery irrigation shall be by sprinkler or drip irrigation and such irrigation shall only be conducted between the hours of 8:00 p.m. and 6:00 a.m.
4. **Each lot is allowed:**
 - WINTER PERIOD (11/1 through 3/31):**
 - 10,675 gallons/month for lots without an ADU; and
 - 21,350 gallons/month for lots with an ADU
 - SUMMER PERIOD (4/1 through 10/31):**
 - 21,020 gallons/month for lots without an ADU; and
 - 31,695 gallons/month for lots with an ADU
5. **Use of Allocation Across Multiple Lots:** Each Lot is allocated a specific quantity of water pursuant to this Policy and the Association's decreed water rights. An Owner holding title to more than one Lot may use the total combined water allocation assigned to all lots owned by that Owner on any one or more such Lots, provided that the Owner's total water use does not exceed the aggregate allocation assigned to the Owner's Lots. Such allocations are only permissible on undeveloped lots. This flexibility shall not be construed to increase the total amount of water allocated to any owner. This right to apply an Owner's combined

allocation across multiple Lots is appurtenant to the common ownership of such Lots and may not be sold, leased, transferred, or assigned separate and apart from the Lots themselves.

6. Accessory Dwelling Unit (“ADU”) Usage: For lots that are allowed an ADU, but have chosen not to construct an ADU, the limitation of lots without an ADU applies. The lots with allowable ADU’s are described in Article 12.3.3 of the Declaration.

7. Penalties for Over-Usage:

A. All lots are metered. The Association reads the meters on a monthly basis and the Association will make available meter readings to lot owners. If the Board of the Association is provided with meter readings showing that the allowable water usage is exceeded by any lot, the Board shall send a notice to the owner advising the owner of such over usage, the amount of water metered and shall issue a warning to such lot owner.

B. If such over usage continues after the warning has been issued, Board shall have the power to enforce the following surplus usage fees:

- i. For the first over-usage offense, assess a fee of \$200.00;
- ii. For the second over-usage offense within a twelve-month period, assess a fee of \$300.00;
- iii. For each subsequent offense within a twelve-month period, assess a fee of \$500.00, plus a sum equal to \$5.00 per 100 gallons of over usage, or fraction thereof.

C. In addition to the surplus usage fees described above, the Board, has the right to inspect the property of an owner to determine if the area irrigated exceeds 3,000 square feet. If such a determination is made, the Board, or any lot owner, shall have the right to enforce the Covenant restriction set forth in Article 12.3.3.

8. Right to Contest: An owner which receives a penalty or enforcement notice shall have the right to appear before the Board and present evidence as to (1) the existence of a functioning water meter, (2) why the owner believes that lot has not exceeded 3,000 square feet of irrigated area or (3) not exceeded the monthly volumetric limitations described in paragraph 2, above. The Board shall hear such evidence and make a decision as to whether the penalty and/or notice was proper.

The determination of the Board shall be based upon the evidence presented and shall not be appealable and shall be final.

9. **Remedies Cumulative and Not Exhaustive:** The penalties and rights described above shall be in addition to, and not in substitution of, the rights set forth in the Declaration, Water Court decrees, Division of Water Resources Well Permits, and any Design Review Board approvals.
10. **Surplus Usage Fees Considered Additional Assessments:** The fees described herein may be assessed to a lot owner pursuant to the Declaration and CRS 38-33.3-302(1) and collected and enforced pursuant to the Declaration.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Stirling Ranch Property Owners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Executive Board of the Association, at a duly called, noticed and held meeting of the Executive Board on March 18, 2026 and in witness thereof, the undersigned has subscribed his/her name.

STIRLING RANCH PROPERTY OWNERS ASSOCIATION, INC. A Colorado non-profit corporation,

By: Sandy Rhodes

Name: Sandy Rhodes

Its: President