848392 Book 2572 at FHOTOS

Page 00374

948392

Rules & Regulations
Rozet Ranchettes Improvement & Service District
October 7, 2010

Chapter I

Effective Date, Authority, Purpose, Severability, Amendments and Manager

Section 1. Effective Date: These rules and regulations are effective October 5, 2010.

Section 2. Authority: The Board of the Rozet Ranchettes Improvement & Service District, pursuant to W.S. Sections 18-12-101 through 18-12-140, Wyoming Statutes, 1977 Republished Edition as amended (or W.S. sections 22-29-101 through 601), is authorized to proscribe and enforce rules and regulations.

Section 3. Purpose: The purpose of the District shall be to supply water to the inhabitants of the District, maintain roads and other functions as decided upon by the Board of Directors and/or members of the District.

Section 4. Severability: These Rules and Regulations, and the various parts thereof, are and are hereby declared severable. If a court of competent jurisdiction adjudges any part, sentence, paragraph, section or clause unconstitutional or invalid, it is hereby provided that the remainder of the rules and regulations shall not be affected thereby.

Section 5. Amendments: These Rules and Regulations may be altered, amended or repealed and new rules and regulations may be adopted at any time, by the Board at any regular or special meeting of the Board.

Chapter II

Ownership and Control of the Water System and Facilities

Section 1. Ownership: The Water System of Rozet Ranchettes Improvement and Service District shall be owned, controlled and managed by the District.

Section 2. Control: The District board of directors shall be responsible for the management, control and supervision of the District's water system and any other functions as agreed upon by the District. The board may hire employees or contractors to manage the system at their discretion. No person shall make or cause to be made any additions or alterations to the District's water system without permission from the District.

Section 3: No Individual Water Systems Permitted: Residents are required to connect to District water facilities and may not implement or drill their own wells to provide a private water supply.

948392 Book 2572 at PHOTOS

Pege 00375

Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

Chapter III

Connection and Disconnection of Properties

Section 1. Separate Water Service Connections Required:

- Each separate single-family dwelling or commercial building shall have separate water connections.
- b. Where, in the judgment of the Directors, special situations warrant, a written request shall be provided to the District, and at the earliest regular meeting, the board shall consider the request. The District shall allow or disallow the exception by motion of the Board of Directors.

Section 2. Connection Procedure: New residents desiring to activate a water service connection must complete a Water User Agreement form and follow the instructions of that agreement (Appendix A). A Water User Agreement is required before service is connected. If for whatever reason, the agreement is not received prior to service connection, it remains a requirement of service. Water service will be disconnected to anyone who refuses to submit the agreement.

Section 3. Sanitary Regulations: It shall be unlawful for any person to pollute or befoul the waterworks system. Cross connections with private water supplies are expressly prohibited. Upon discover of any connection, or practice, which causes or potentially causes contamination of the system in any degree, the manager or District shall shut off the particular connection until the practice or condition is corrected.

Section 4. Limit to Service Connections:

- a. The District shall not be required to install or maintain to any lot more than one District water service line direct from its distribution main to the property's water service line
- Each lot or tract of land as platted with the County shall be limited to one service unit
 of residential or commercial (District or Rozet Ranchettes LLC approval required for
 commercial) service.

Section 5. Initiation of Service to Property: The procedure for initiating service to a property is as follows:

- a. The owner must obtain and furnish to the District all necessary permits.
- Prior to construction of any water facility on private property to be connected to the District's system, the following requirements must be met:
 - The current applicable service unit connection fees and any special fees must be paid.
 - 2. The owner must sign a User's Agreement and the fee paid.
 - A meter or whatever other plumbing devices required to be purchased from the District must be paid plus the installation cost.
 The District will install the meter.

Page 2 of 11

Page 00375

948392 8000 2572 01 PHOTOS Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

- The property owner must purchase a Plumber's Permit. Construction shall conform to current policies.
- 5. Any special requirements must be met.
- c. Once the requirements of the permit have been met and a meter installed, water will be turned on at the request of the user. The monthly service unit charges will begin as soon as water is turned on to the property or as soon as a meter is installed and water service is available.
- d. The owner shall be responsible for the installation and maintenance of all piping, plumbing and equipment on owner's property connected to the District's distribution system. The District's responsibility ends at the curb stop, and all lines to the building are the responsibility of the landowner. The District retains ownership of the water meter and the remote read-out. When a meter needs to be replaced, the District will supply one. The maintenance and repair of the individual water service line up to the curb stop is the owner's responsibility.
- e. The District shall not be liable for any loss or damage of any nature whatsoever caused by any defect in owner's service piping or in owner's or user's equipment upon the property of the owner. The District does not assume the duty of inspecting piping, plumbing and equipment within buildings and shall not be responsible therefore.
- f. The owner shall be responsible for all damage to or loss of District's property located upon the owner's property, including damage by hot water, unless occasioned by circumstances beyond his control or by negligence of the District. The use of water upon the premises is at the risk of the user, and the responsibility of the District shall cease at the point of connection with user's service.
- g. In the event that a former user's failure to pay required fees caused termination of water service, that water service may not be turned on for any new user without the full payment of the delinquent amount for which the service has been shut off.

Section 6. Efficient Use of Water: No person, partnership or corporation shall waste water from the community's water system. When leaks in service pipes, connection pipes or water fixtures are discovered, consumers and/or property owners shall promptly repair the leaks and if not promptly repaired after notice from the District or Water System Supervisor, the District shall have authority shut off water until leaks are repaired. If the water is turned off, a service charge shall be charged to the consumer of \$100.00

Section 7. Discontinuance of Service:

- a. Every user who is about to vacate any individual family or commercial service supplied with service by the District, capable of being turned off with a valve solely under the control of the District, or who for any reason wishes to have such service discontinued, shall give two (2) weeks notice in advance of specified date of discontinuance of service. Until the District shall have such notice, User shall be held responsible for all service rendered at this location.
- Service may be discontinued for violation of the Rules and Regulations, five (5) days after written notice that the violation of rules must cease; provided, however, that

Page 00377

Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

where fraudulent use of service is detected, or where a dangerous condition is found to exist on the User's premises, service may be discontinued without advance notice.

- c. Whenever service is discontinued for nonpayment of bills, or for violation of the Rules and Regulations, a charge will be made equal to the District's cost of reconnection, but not less than the turn-on fee of \$100.00 and must be paid before service is restored.
- d. Whenever service is discontinued because of fraudulent use, District may require a satisfactory payment for service rendered, in addition to the reconnection charge, before service is restored.
- e. When water service is temporarily shut off, and later turned on, at the request of User, the actual cost of such disconnection and reconnection shall be paid by the User, but in any event, shall not be less than the turn on fee of \$100.00. This does not apply to shut-offs for repairs to plumbing. There is generally no charge for shutting off or turning on water service for plumbing repairs.
- Restoration is to be done only by an authorized representative of the District. Those
 making unauthorized restoration are subject to prosecution under Wyoming Statute 67-301 through 6-7-302 (1977).
- Any User's service fraudulently connected to District's main or to other User's service without approved application from the District will be immediately disconnected.
- h. When there is a User's Agreement in effect and the payments are current and there is no violation of the rules of the District, the District will not disconnect service to a property unless requested to do so by the User.

Section 8. Refusal of Service:

- a. The District may decline to serve any User until the User has complied with the state and municipal regulations governing water service and with the Rules and Regulations of the District.
- b. The District may decline to serve or to increase the size of the service connection to any User if, in the opinion of the District, it does not have adequate facilities to render the service applied for, or if the desired service is of a character likely to unfavorably affect service to other users.
- c. The District may refuse to serve a User if, in its opinion, User's plumbing or equipment is of such a character that satisfactory service cannot be given.
- d. The District may refuse to reconnect a service under the name of any other member of the family when the head of the household is unchanged and when service at the address has previously been disconnected for nonpayment of bills or violation of these Rules and Regulations.

Section 9. Right to Suspend Use of Water: The Board of Directors has the right to suspend and regulate the use of water by consumers whenever, in the opinion of the Directors, the need arises. Property owners affected will be given advance notice if possible when plans are made to suspend water services to make system repairs or modifications. The District shall not be required to provide notice to consumers when emergency repairs to the water system are required. The water system manager, with the advice and consent of the board of Directors is

Page 00378

Rules & Regulations
Rozet Ranchettes Improvement & Service District
October 7, 2010

hereby authorized to make rules and regulations regarding the hours and times for using water by consumers as may be deemed in the best interest of the District.

Section 10. Domestic Water Outside of District Limits: Water withdrawn from the District Water System for domestic use outside the District limits will be charged at a rate established by a motion or resolution of the Board of Directors. The District is under no obligation to provide water outside of the District limits, and reserves the right to terminate any such withdrawal at any time. Each request will be considered on an individual basis.

Section 11. Water Not to be Resold or Redistributed: District water conveyed to District users is solely for use on the property occupied by the user. Water conveyed by the District to individual District users is not to be resold, or redistributed free as potable water to any other person, persons, or organizations within or without the District boundary. District user is defined as having an approved connection to the District water system and paying the required District connection charges and monthly service charges.

Section 12. Extending the District's Water System: The District may extend the District's water system and water services beyond the boundaries of the District upon terms and conditions prescribed by the Board of Directors and Wyoming State Statutes. Extended services shall not be allowed if they can result in a diminished water supply insufficient to the needs of the District property holders.

Section 13. Special Assessments for Services and Capital Improvements: The District may levy assessments for regular monthly fees and for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the water system. Assessments may also be done for any past due monthly and other fees if the situation warrants such action.

Section 14. Special Accommodations for Spec. Homes in the District on a Temporary Basins: The District may allow spec. homes on a limited, temporary basis, to have water connected and turned on without a water usage agreement. In addition, fees may be waived on a temporary basis at the district's discretion.

Chapter IV

Deposits, Fees, Rates and Charges for Services

Section 1. Required Fees: The fees adopted by the District at the time of payment shall be the fees the User must pay.

Section 2. Fees, Rates, Deposits and Charges: The following general water rates, deposits and charges shall apply:

 Tap / Plant Investment Fee: \$1,500 per tap. Homeowner is responsible for the water meter purchase and ensuring it meets the District requirements.

Page 5 of 11

Page 00379

Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

- Monthly Rate (Base):
 - Improved Lots: \$80.00 per month is due on the 1st of each month for those on the water system (meter installed and/or service is available – this includes lots where water has been provided but then shut off for any reason).
 - Unimproved Lots: \$20.00 per month is due for each lot which has not been improved and/or had water service connected yet, and has been sold by Rozet Ranchettes, LLC. Rozet Ranchettes, LLC, does not pay a monthly rate for unimproved lots owned by them.
- 15,000 gallons of water is included in the base rate. Meter readings in the late spring, summer, and early fall months will be billed at the following rates:
 - \$2.00 will be charged for each 1,000 gallons used above 15,000 gallons up to 30,000 gallons.
 - o \$3.00 will be charged for each 1,000 gallons used above 30,000 gallons.
 - Late spring readings may be averaged and billed for overage through the winter months.
- Disconnect Fee: \$100.00
- Reconnect or Turn On Fee: \$100.00
- See also Chapter VI. Billing and Collection for additional fees.

Chapter V

Metering

Section 1. Water Meters and Service Connection:

- a. All water flowing through District lines to properties shall flow through a water meter unless otherwise authorized by the District. Water usage is metered to enable the District to fairly charge residents according to each resident's use of this service.
- b. All owners shall keep their service pipes, connections and other apparatus in good repair, and protected from frost and water damage at their own expense. The owner or user shall give the District, or its authorized agents, permission to enter owner's or user's premises at reasonable times for the purpose of installing, inspecting, repairing or removing any or all of the apparatus used in connection with the supply and metering of water. Inspections shall be arranged by contacting the property holder and scheduling an inspection date and time.
- c. The combination of the metering element, the conductor wire, and the remote outside readout is a key element in determining the revenues on which the District depends for its continued operation. Therefore, anyone adjusting or in any way tampering with either the metering element, the conductor wire, or the remote outside readout so as to result in a meter reading less than the amount of water actually used shall be subject to prosecution under the provision of Wyoming Statutes Section 6-5-301 through 6-5-302.
- d. No person shall damage or interfere with the water supply or water system of the District, whether owned by the District or privately owned and connected to the district's water system. No person shall take water from the water system or open any valve or fixture connected with the water supply system without approval. Where properties have been provided with individual service lines and curb stop

Page 00380

Rules & Regulations
Rozet Ranchettes Improvement & Service District
October 7, 2010

valves, and the operating condition of both the valve and the box have been verified, it is the total responsibility of the contractor who is erecting the building on that particular property to preserve the operating condition of both the valve and valve box. The District's responsibility ends at the in-put side of the curb stop and all lines to the building and the water read-out meter become the responsibility of the landowner henceforth.

e. All water meters whether installed by the District or someone authorized by the District shall be either purchased from the District or approved by the District prior to installation. All water meters shall be of the type that measures all water flowing through the meter within a tolerance of plus or minus two percent unless otherwise authorized by the District.

Section 2. Meter Reading: Meters may be read at the time service is first established and thereafter at the District's regular periodic intervals approximately thirty (30) days apart generally during the late spring, summer and early fall months. Meter readings will begin as soon as the water operator determines they are necessary, probably in the summer of 2010, depending on the number of users on the water system.

Section 3. Accessibility of Water Meter & Meter Readouts: The District utilizes a metering system consisting of a main metering element installed on the water service at the entry of the service point with a remote readout which is located at the meter pit. A pair of copper conductors connecting the metering element to the readout transmits the actual meter reading to the indicator on the readout. This system allows the District to read the meter without entering the User's property or meter pit.

The meter may also require periodic checking for accuracy, and in some cases, possible replacement if necessary. As such, the metering element must be installed in such a manner as to provide total accessibility. Meter readouts must also remain unobstructed and the weeds and shrubs kept clear so that District meter readers may easily access them when carrying out meter reading duties.

Chapter VI

Billing and Collection

Section 1. Billing Procedures:

- The District may issue coupons annually for regular monthly billing, rather than mail invoices on a monthly basis.
- b. All overage charges will be billed by invoice as soon as possible after meter reading takes place. For those with usage at or below the base rate, no invoice will be sent.
- c. Should a user dispute the billing, they should contact the District's bookkeeper or a member of the Board of Directors, and if that contact does not resolve the dispute, the User should request, in writing, a hearing before the Board at the next regular board meeting.
- d. The Bookkeeper has the authority to adjust accounts for billing errors, dropping penalties, etc. when the reason is clerical error. The record would show the clerical error, the adjustment made and the initials of the Bookkeeper. The Bookkeeper is not

Per 00381

Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

authorized to waive any rule or extend any credit other than that specifically authorized in these rules and regulations.

 Until paid, delinquent water charges shall constitute a perpetual lien on and against the property served.

Section 2. Deadline for Payments, Late Fee Assessments, Terminating Services for Failure to Pay Fees or Assessments: An account is due on the 1st of the month. Payment is deemed received by the District on the date shown by the US Post Office cancellation mark. The Bookkeeper shall record the postmark on payments received after the 30th of the month, and charge a \$5 late fee penalty. A \$35 late fee penalty will be charged for payments received after 60 days. A certified letter will be sent to the address on file with a shut off notice 30 days from the date of the letter. At 90 days from the due date, water will be shut off. If water is shut off, shut off and reconnect fees will apply. A lien may also be filed against any property past due on payments. \$10 per month late fees will be charged each month, starting 90 days after the billing date. Example:

June 1 is the original bill and it isn't paid
July 1 - \$5 late fee
August 1 - \$35 late fee and shut off notice
September 1 - \$10 late fee each month thereafter until account is brought current.

Section 3. Assessments in Lieu of other Actions: If at any time the District feels an assessment will resolve the issue of past due amounts, these amounts along with any late fees, sheriff's fees, attorney's fees, and any other fees, will be assessed through the Campbell County Assessor, which is normally done in July of each year.

Section 4. Returned Checks: A fee of \$25 will be charged to customers for checks returned by the bank for insufficient funds and/or other reasons.

Section 5. Landowner to Be Billed: Landowners are responsible for all fees. An account may be set up to be billed to a renter's or other party's name. However, in order for this to occur, the landowner must request the change in writing. The landowner is ultimately responsible for any and all amounts due the District whether or not the landowner makes a written request. Bills sent to renters without landowner written permission do not change the landowner's ultimate responsibility for any and all fees – regular fees, certified letters, sheriff's notices, shut off fees,

Section 6. Special Circumstances: The district may, in the event of a property's foreclosure status, properties with questionable legal status, renters who have been placed in charge of water bills, or other circumstances that result in ANY unpaid, past due balance, immediately terminate service and apply any late fees, shut off fees or file liens at the district's discretion.

Page 00382

Rules & Regulations
Rozet Ranchettes Improvement & Service District
October 7, 2010

Chapter VII

Operation and Maintenance

Section 1. District May Shut Off Water: The District reserves the right to shut off the water from its mains for the purpose of making repairs or extensions or for any other purpose without incurring liability for any damage that might result there from.

Section 2. No Guarantee of Continuous Water Service: The District does not undertake or agree to furnish or supply continuous or uninterrupted service to its Users and shall not be held responsible or liable to any User for any loss or damage caused by any interruption in service, or from any failure to supply water occasioned by accidents, breakdowns, washouts or other causes which are unavoidable and due to factors beyond the District's control.

Section 3. Flushing the Water Lines: Generally, the water lines will be flushed twice a year, once in the spring and once in the fall. Notice may or may not be given by the water operator prior to flushing.

Chapter VIII

Fee Payments Affected by Changes in Occupancy

Section 1. Payment of Service Fees Expected Until Dwelling / Property is Sold: Owners shall be expected to pay the established monthly fees for water service until selling a property. The District Bookkeeper must be notified to ensure the transfer in ownership occurs in the records. An owner should make sure all of his/her fees are paid prior to the sale. In any event, all fees are to be paid regardless of the owner. Late fees and disconnects will occur, regardless of owners.

Section 2. Payment of Service Fees, Affected by Moving or Extended Absences: Homeowners are responsible to pay the full monthly fees even when they are away from their homes for extended periods.

Chapter IX

District Rules & Regulations

Section 1. Homeowner Declaration of Covenants, Conditions and Restrictions: A copy of the "Declaration of Covenants, Conditions and Restrictions" has been given to all purchasers of property and/or are available at the District's bookkeeper's office as well as the Campbell County Courthouse. Homeowners and all residents of the District shall abide by the Covenants, Conditions and Restrictions as well as these Rules and Regulations.

948392 Bask 2572 of PHOTOS

Page 00383

Rules & Regulations
Rozet Ranchettes Improvement & Service District
October 7, 2010

Section 2. Riding Arena: All users of the arena should read and understand the waiver posted at the riding arena prior to entering or using the arena:

WARNING

PURSUANT TO THE LAWS OF THE STATE OF WYOMING, ANY PERSON WHO UTILIZES THIS EQUINE ARENA ASSUMES ALL LIABILITY AND HARM FROM INHERENT RISKS ASSOCIATED WITH SUCH USE, AND IS LEGALLY RESPONSIBLE FOR ANY AND ALL DAMAGE, INJURY OR DEATH TO HIMSELF OR TO OTHER PERSONS OR PROPERTY THAT RESULTS FROM SUCH INHERENT RISKS.

ANY INDIVIDUAL DESIRING TO USE THIS EQUINE ARENA SHALL FIRST OBTAIN WRITTEN PERMISSION FROM THE ROZET RANCHETTES IMPROVEMENT AND SERVICE DISTRICT. ALL USERS MUST SIGN A WAIVER AND RELEASE OF LIABILITY PRIOR TO USING THIS FACILITY.

In addition, anyone entering or using the arena must read and sign a "Release and Waiver of Liability." Anyone using or entering the arena will be considered as having signed a "Release and Waiver of Liability" and agrees to hold the district harmless as so stated.

Page 00384

Rules & Regulations Rozet Ranchettes Improvement & Service District October 7, 2010

IN WITNESS WHEREOF, the Rozet Ranchettes Improvement and Service District has caused these Rules and Regulations be executed this 7th day of October, 2010. ROZET RANCHETTES IMPROVEMENT AND SERVICE DISTRICT Secretary / Treasurer STATE OF WYOMING COUNTY OF CAMPBELL) The above and foregoing instruction was acknowledged before me by Nelvin Zebroski, President, and attested to by Abby Rae I

Secretary/Treasurer, of the Rozet Ranchettes Improvement and Service District, on this day of Octobe ... , 2010. IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year written

My commission expires: 3 23 2014

above.

signanne Cethey - Notary Publ

5. That the boundaries of the Rozet Ranchettes Improvement and Service District the land situated therein are described with particularly as follows:

A tract of land located in the W1/2SW1/4 Section 26, the SE1/4 Section 27, the N1/2 NE1/4 Section 34, the E1/2NW1/4 Section 34, and the NW1/4NW1/4 Section 35, T50N, R70W, 6th PM, Campbell County, Wyoming, and more particularly described as follows:

BEGINNING at the S1/4 corner of said Section 27: Thence along the West line of the SE1/4 of said Section 27 N00'35'26"W, 2,375.80 feet to a point, said point being located on the South right-of-way of Wyoming State Highway 51; Thence along said right-of-way S78'18'39"E, 2,721.65 feet to a point; Thence continuing with said right-of-way S78'17'08"E, 1,367.97 feet to a point, said point being located on the East line of the W1/2SW1/4 of said Section 26; Thence along said East line S00'27'03"E, 1,477.87 feet to the W1/16 corner between Section 26 and Section 35; Thence with the East line of the NW1/4NW1/4 of said Section 35 S00'09'06"E, 1,357.23 feet to the NW1/16 corner of said Section 35; Thence along the South line of the NW1/4NW1/4 of said Section 35 N89'56'37"W, 1,338.09 feet to the N1/16 corner between said Section 34 and Section 35; Thence along the South line of the N1/2NE1/4 of said Section 34 S88 16 33 W. 2,654.24 feet to the center N1/16 corner of said Section 34; Thence along the East line of the E1/2NW1/4 of said Section 34 S00'09'53"E, 1,366.48 feet to the center quarter corner of said Section 34; Thence along the South line of the E1/2NW1/4 of said Section 34 S88 10'13"W, 1,301.74 feet to the center W1/16 corner of said Section 34; Thence with the West line of the E1/2NW1/4 of said Section 34 N00*42'10"W, 2,738.00 feet to the E1/16 corner between said Section 27 and Section 34; Thence along the North line of said Section 34 N88*23*21"E, 1,326.96 feet to the point of BEGINNING containing 382.79 acres,

- That the Certificate of Election Results are hereby filed herein by the Canvassing Board, and the same is hereby in all respects approved and confirmed.
- 7. That the form of Oath of Office hereto attached as Exhibit "A" be, and the same is hereby affixed and approved as the form of oath to be executed by the Directors of said District in qualifying for their offices.
- That the members of the Board of Directors of the District shall qualify for office and organize the Board in the manner prescribed by the laws of the State of Wyoming.
- 9. That within ten days of the canvassing, the County Clerk shall transmit to the Department of Audit, and the Campbell County Assessor, a copy of this Declaration and Resolution.

RESOLVED this 7th day of August, 2007.

948392 Recorded on 10/12/2010 at 9.52.60 Book 2572 of PHOTOS Susen F. Saunders, Campbell County Clerk by-

Fee 41.80 Fagon 374 to 388 by: C. KLINGLER

> RECORDED ABSTRACTED INCEXED CHECKED