

WATER SERVICE AGREEMENT FOR HOMESTEAD TRAILS

ARTICLE 1. GENERAL

- 1.1 The Homestead Water Company, LLC (the “Company”) is the owner of a domestic water system located in Bayfield, County of La Plata, State of Colorado.
- 1.2 Homeowner is the owner of a lot or unit within the Homestead Trails, a common interest community described within, and governed by, the Amended and Restated Declaration of Covenants Conditions and Restrictions recorded at Reception No. 933935 in the office of the Clerk and Recorder for La Plata County, Colorado (the “Declarations”).
- 1.3 Homeowners desire to have domestic water service for their use and enjoyment of their Lot or Unit within Homestead Trails, and the Water Company is willing to provide such water service to Homeowners.
- 1.4 This Agreement defines the terms and conditions by which the Company agrees to provide, and Homeowners agree to accept and pay for, water service. In addition, this Agreement’s purpose is to ensure the orderly and uniform control, administration and operation of the water treatment, distribution and management systems of the Water System.
- 1.5 In order to receive water service, Homeowner shall, among other things, pay to the Company the service charges set forth below in this Agreement.

ARTICLE II. DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of the terms used in this Agreement shall be as follows:

- 2.1 “Commercial Property” means the real property described in Exhibit C attached hereto and any property where the principal use of the property is for business, commercial, or industrial purposes. Where any property is used for a combination of commercial and residential purposes, it is presumed to be a commercial property.
- 2.2 “Company” means the Homestead Water Company, LLC and its Manager, or authorized agents or employees.
- 2.3 “Declaration” means the Amended and Restated Declaration of Covenants Conditions and Restrictions recorded at Reception No. 933935 in the office of the Clerk and Recorder for La Plata County, Colorado

- 2.3 “Distribution line” means the pipeline extending from the water main to the water meter.
- 2.4 “Homeowner” or “Owner” means any person owning a platted Lot or Unit within Homestead Trails.
- 2.5 “Irrigation System” means all waterlines and related apparatus pertaining to irrigation water derived from any ditch rights or other adjudicated water rights held by the Homestead Water Company, LLC. (As further clarification, Irrigation System does not refer to a Homeowner’s irrigation or drip system installed by an owner within its property.) The Irrigation System is not a part of the domestic Water System described herein and a separate service agreement shall govern and describe the Irrigation System at such time as the Irrigation System may be developed.
- 2.6 “Manager” means The Homestead At Bayfield, LLC including its authorized agents and employees, or any other successor manager appointed by and authorized to conduct business on behalf of the Company.
- 2.7 “Residential Property” means any property where the principal use of the property is for residential purposes.
- 2.8 “Service Area” shall refer to the real property included within the boundaries of the Homestead Trails. Inclusion of real property within the Homestead Trails shall occur at such time as a plat (identifying the “phase” or real property to be included) has been recorded in the real property records of the La Plata County Clerk and Recorder.
- 2.9 “Service Line” means the pipeline extending from the water meter to the Homeowners building or point of use.
- 2.10 “Tap” or “Connection” means the physical connecting of the service line from the Homeowners building or point of use to the distribution line.
- 2.11 “Tap fee” means the payment to the Company of a fee for the privilege of connecting a particular use to the water system. Physical tapping is not the criterion for the obligation of paying a tap fee.
- 2.12 “Water main” means a principal artery of the water system to which a distribution line may be connected.
- 2.13 “Water System” means all water mains, distribution lines, curb valves, water meters, fire hydrants, storage facilities and any other water facilities owned and operated by the Company. After the Water System is transferred to the Association by The Homestead Water Company as provided in the “Water System” shall be considered part of the “Common Elements” of the Association as that term is defined in Article II (2.8) of the Association Declaration.

ARTICLE III. RESPONSIBILITIES OF HOMEOWNER

- 3.1 **ENTER AND INSPECT.** Homeowners agree that duly authorized agents and employees of the Company, bearing proper credentials and identification, shall be permitted to enter on their property for the purpose of inspection, observation, measurement, sampling and testing, or for any other necessary and authorized purpose, in accordance with the provisions of this Agreement.
- 3.2 **MAINTENANCE OF SERVICE LINE.** Each Homeowner is responsible for maintaining the entire length of their Service Line from the point of the water meter to their residence. The Homeowner shall promptly repair, at its expense, all leaks or breaks in the Service Line. If the Company knows of a break or leak in a Service Line it shall notify the Homeowner. The Company has the right, but not the obligation, to cut off or disconnect the water supply to any defective Service Line.
- 3.3 **CHANGE OF OWNERSHIP.** The Homeowner is required to notify the Company upon change of ownership of the property being serviced.
- 3.4 **DISCONTINUANCE OF WATER SERVICE.** Homeowners may not “elect” to discontinue water service from the Water System. The Homeowner shall remain liable for the cost of Water System water service once the physical connection is made to the Homeowner’s lot or unit.
- 3.5 **DAMAGE.** The Homeowner shall be responsible for damage to meters, valves, vaults, and other Water System facilities located on their lot.
- 3.6 **STOP AND WASTE VALVE.** The Company requires that every property be equipped with a stop and waste valve. Failure of any Homeowner to so equip their property served by the Company will, under no circumstances, alter the liability of the Company.
- 3.7 **WATER PRESSURE.** The Company is not liable for damage to plumbing or other facilities of the Homeowner caused by excess water pressure, stoppage of water supply, or loss of water pressure. Homeowners should install pressure reducing valves and/or airvac valves to the extent necessary.
- 3.8 **SAFETY DEVICES.** Each Homeowner having boilers and/or other appliances on their premises dependent upon water pressure or water in pipes or a continuous supply of water shall be responsible for, and shall provide, at their own expense, suitable safety devices to protect themselves and their property against stoppage of water supply, loss of pressure, or excess pressure.
- 3.9 **ACCEPTANCE.** By receiving water service from the Water System, a Homeowner shall be deemed to have agreed to comply with this Agreement, as amended from time

to time by explicit modification or by the adoption of superseding policies or decisions of the Company.

ARTICLE IV. UNAUTHORIZED USE OF THE WATER SYSTEM

- 4.1 **UNAUTHORIZED TAMPERING WITH THE SYSTEM.** No person shall uncover, use, alter, disturb, or make any connection with or opening into any Water System water main or appurtenance without first obtaining a written permit from the Company. No person shall maliciously or willfully break, damage, destroy, uncover, deface or tamper with any portion of the Water System. Any damage to the Water System caused by a Homeowner or their tenants, guests or otherwise, shall be repaired at the expense of the Homeowner.
- 4.2 **UNAUTHORIZED EQUIPMENT POSSESSION.** It is unlawful for any unauthorized person to have in his or her possession a hydrant wrench or a valve shut-off key.
- 4.3 **UNAUTHORIZED CONNECTIONS.** The Company requires that an unauthorized connection fee, equal to twice the normal tap fee due, be paid by any person tapping onto the Water System's lines without prior payment of all required tap fees, approval of a valid water service agreement with the Company or adequate inspection of Homeowner installed lines by the Company.
- 4.4 **UNAUTHORIZED USE OF SERVICE LINE.** The Homeowner shall not connect his service line to any water source other than Water System facilities, including wells. Upon receiving notification from proper authority of an unauthorized connection, the Company may immediately discontinue the Homeowner's water service without prior notice to the Homeowner.
- 4.5 **UNAUTHORIZED USE OF A FIRE HYDRANT.** Use of any fire hydrant that is part of the Water System for purposes other than fighting fire requires a written permit from the Company. Among other items which may be required by the Company, the permit will include the Homeownership, make, license number, and water load capacity of any vehicles which will carry hydrant water, the duration of the permit, and the location of the construction or other activity for which the water will be used. A copy of the permit must be kept in any permitted vehicle at all times during the length of the permit.

ARTICLE V. VIOLATIONS OF THE AGREEMENT

- 5.1 Any person violating any of the provisions of this Agreement shall be liable to the Company for any expense, loss or damage occasioned by reason of the violation.
- 5.2 Any person violating any provision of this Agreement shall also be responsible for any court expenses or reasonable legal fees incurred by the Company in enforcing the terms and conditions of this Agreement.

ARTICLE VI. WATER TAPS

- 6.1 The Company shall establish, in its discretion, a tap fee for the initial connections as set forth in Appendix A, the terms of which are incorporated herein and made a part hereof.
- 6.2 The standard size meter connection is 5/8 inch x 3/4 inch and services a single dwelling unit. Initial Tap fees are based upon the foregoing and shall be increased for larger-sized connections.
- 6.3 The Homeowner is responsible for the payment of all equipment and construction charges related to the installation of one residential water tap/connection for each residential unit on the Homeowner's property and/or one commercial tap/connection. The Tap Fee includes the costs of the water distribution line, the water meter and electronic meter read-out and other necessary installation costs borne by the Company. Tap fees do not include the Service Line, the meter pit, the yoke and grade rings or such other water facilities located on the Lot which are the responsibility and cost of the Homeowner.
- 6.4 Each tap/connection to the Water System's distribution lines shall be metered.
- 6.5 Unless approved by the Company, water lines from any tap shall not be carried across property lines for use outside the property authorized to be served.
- 6.6 Unless approved by the Company, taps shall serve only the property where the tap was originally connected, and shall not be transferred to any other property.
- 6.7 The Company reserves the right to supplement, amend or increase Tap Fees on an ongoing basis.

ARTICLE VII. WATER LINES

- 7.1 **WATER MAINS.** When service to a Homeowner's property requires the extension of the Water System's water mains, the Company may require the Homeowner, at the expense of the Homeowner, to install a water main to the specifications of the Water System, or the Company may require the Homeowner to pay for the installation of the water main by the Company.

All water mains, whether installed by the Company or by a Homeowner, are included in the Water System and become the property of the Company.

- 7.2 **DISTRIBUTION LINES.** The Company shall install distribution lines and installation shall be in accordance with Company standards. All distribution lines are included in the Water System and property of the Company.

- 7.3 **SERVICE LINES.** The Homeowner shall install, maintain and own the Service Line(s). In installing the Service Line the Homeowner shall comply with all local, state and federal health laws, and applicable plumbing and other codes as well as Company standards. The Company reserves the right to inspect Service Lines at any reasonable time and to require corrections where necessary; however, the Company is not obligated to inspect and assumes no responsibility for the Service Line. If the Homeowner does not comply with applicable standards, the Company may discontinue the Homeowner's water service.

ARTICLE VIII. WATER METERS

- 8.1 A single meter shall serve only one residential unit or one commercial unit. Meter pits shall generally be located inside and adjacent to the property boundary in areas not susceptible to irrigation, drainage, or possible damage from reasonable Homeowner activities. Only authorized Company personnel shall be allowed access to meter pits. All meters and meter pits are the property of the Company.
- 8.2 The Company may remove any water meter from the meter pit at any time the water is shut off for any reason.
- 8.3 The Company has the right to test, repair or replace any water meter.
- 8.4 The Homeowner must notify the Company office if their water meter is operating defectively. If any meter fails to register in any period, the Homeowner shall be charged for their average consumption during the two most recent preceding periods during which the meter was deemed by the Company to have been in working order.
- 8.5 If a Homeowner complains in writing that their water meter is inaccurate, a new meter will be installed and the old one removed. If the meter is found to be accurate within accepted standards, the Homeowner will be required to pay all costs incurred by the Company in connection with the inspection and replacement of the meter.

ARTICLE IX. FIRE HYDRANTS

- 9.1 The Company shall consult with local fire protection officials prior to making decisions concerning the installation and location of fire hydrants.
- 9.2 Each hydrant is to be owned and maintained by the Company in coordination with the appropriate fire protection district.
- 9.3 Hydrant water service for fighting fires will not be metered.
- 9.4 Hydrants shall not be used for any purpose other than fighting fires without a written permit from the Company. Among other items which may be required by the Company the permit will include the ownership, make, license number, and water load capacity of

any vehicles which will carry hydrant water, the duration of the permit, and the location of the construction or other activity for which the water will be used.

- 9.5 In the event of a fire, the Company shall not be liable for any water or other damage resulting from the fighting of fires, nor is the Company liable for any damage resulting from the lack of water or proximity of a hydrant.

ARTICLE X. APPLICATION FOR WATER SERVICE

- 10.1 **INCLUSION WITHIN THE WATER SYSTEM'S SERVICE AREA.** All real property included within Homestead Trails as evidenced by a plat recorded in the office of the La Plata County clerk and recorder and the commercial real property identified on Exhibit C is within the Water System Service Area. Property which is identified as "Expansion Property" in the Declaration, but which has not yet been included within the Homestead Trails shall not be considered within the Water System Service Area until such property is included by virtue of a plat recordation.
- 10.2 **SERVICE OUTSIDE THE SERVICE AREA.** Upon written application of a property owner(s), the Company may furnish water service to the property outside the Service Area subject to the Company's contractual obligations and water supply and delivery capability. The express written consent of the Company is required for the provision of water service outside the Service Area.

The Company, in its discretion, shall determine the fees, deposits, conditions and duration of a contract for water service on a property located outside the Service Area. The Company may charge higher tap fees and water rates for property located outside the Service Area. In no instance shall the Company charge less than the prevailing fees and rates for service within the Service Area. When the Company furnishes service to property outside the Service Area, the Company reserves the right to discontinue the service when in the judgment of the Company it is in the best interest of the Company to do so. Notwithstanding anything to the contrary herein, the Company shall be under no obligation to provide service outside the Service Area.

- 10.3 **APPLICATION/ACKNOWLEDGMENT.** A Homeowner must complete and execute the Acknowledgement attached hereto as Appendix B in order to be eligible for water service according to the terms of this Agreement. Completion of this application or acknowledgement in no way guarantees that an Owner shall be entitled to receive water service from the Company. Eligibility of Water Service depends upon whether the Homeowner's Lot is within the Service Area and whether the Homeowner is in compliance with all other conditions necessary for receipt of service, including the Homeowner's payment of all requisite fees.

ARTICLE XI. WATER SYSTEM WATER SERVICE RATES, FEES AND BILLING PROCEDURES

11.1 TAP FEE. The Water System's tap fee schedule is attached at Appendix A and as described in Article VI above.

11.2 WATER RATE. All Water System water service (except fire fighting flows through fire Water System fire hydrants and fire sprinklers) shall be through water meters. The water rate schedule is attached hereto as Appendix A. Homeowners of active, connected taps are responsible for paying the cost of the metered amount of water in addition to the monthly water service rate. Homeowners of inactive, but connected taps, or vacant property shall pay the minimum monthly water service rate.

Water System water meters shall be read every month or as determined by the Company. Water bills not paid when due shall accrue interest at the rate of two percent (2%) per month.

Where the Homeowner believes the water bill is in error, the Homeowner must file, in writing, a notice to the Company of the presumed error, and request a clarification. Upon review by the Company and re-submittal and/or revision of the statement, payment shall be no later than ten (10) days from postmarked date of the resubmitted statement.

The water rate monthly service charge is based on estimated budget for Water System administration and operational costs. Operational costs shall include capital costs for replacement or expansion of the water system and the establishment of reserves. The rates will be adjusted or increased as necessary to generate sufficient revenue to cover the administrative or operational costs.

11.3 DISCONTINUANCE OF WATER SERVICE DUE TO DELINQUENCY IN PAYMENT. The Company may terminate water service on accounts delinquent over sixty (60) days. The Company shall give seventy-two (72) hours notice of its intention to disconnect water service because of a delinquency in payment. This notice shall be delivered by hand or sent by certified mail, addressed to the address of the property Homeowner and the address of the delinquent property. If neither the Homeowner(s) nor the occupant of the property can be located for personal service, it shall be lawful to attach the notice to the front door of the property. The overdue water bill plus interest and the disconnect and reconnect fees must be paid before service is reinstated. The Water System "disconnect fee", as set forth in Appendix A for a discontinuance of water service because of a delinquency in payment, shall be charged along with a "reconnect fee" for reconnection of the water service.

11.4 RECONNECT FEE. If water service is discontinued for any reason, the Water System reconnect fee will be charged as provided in Appendix A.

11.5 LIABILITY FOR PAYMENT. The Homeowner shall be liable for all charges and fees due the Company regardless if the Homeowner is not the occupant of the property served with water and there are tenants/renters utilizing the water service.

ARTICLE XII. GENERAL LIABILITY OF WATER COMPANY AND INTERRUPTION OF SERVICE.

- 12.1 **GENERAL LIABILITY.** The Water Company shall not be liable to the Homeowner or Homeowner's family, guests, invitees, and lessees for any loss or damage not solely caused by the Company's direct gross negligence or willful failure to comply with the obligations hereunder. Further, the doing of any act or failure to do any act, the effect of which may cause or result in loss or damage to Homeowner or its property, shall not subject the Company to any liability of any nature whatsoever, provided that the act or omission is done in good faith. The Homeowner shall indemnify the Company against and hold the Company harmless from any liability, damages, costs, and expenses, including reasonable attorneys' fees sustained or incurred for injury to any person or property in, about, and in connection with the Homeowner's property, from any cause whatsoever, unless such injury shall be solely caused by the Company's direct gross negligence or willful failure to comply with its obligations hereunder. **IN NO EVENT SHALL THE COMPANY BE RESPONSIBLE TO HOMEOWNER OR ITS FAMILY, GUESTS, INVITEES, AND LESSEES FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AND/OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER. HOMEOWNER HEREBY WAIVES ALL CONSEQUENTIAL, INCIDENTAL DAMAGES, AND PUNITIVE DAMAGES. IN CONSIDERATION OF THIS AGREEMENT, HOMEOWNER AGREES THAT THE MAXIMUM AMOUNT OF DAMAGES THAT HOMEOWNER CAN COLLECT FROM THE COMPANY FOR ANY BREACH OR BREACHES HEREUNDER SHALL BE THE AMOUNT OF THE INITIAL WATER TAP FEE**
- 12.2 **INTERRUPTIONS, DELAYS OR RESTRICTIONS IN SERVICE.** The Company shall use reasonable diligence in providing water service to the Homeowner. However, the Company reserves the right to temporarily interrupt or reduce the delivery of any water service under this Agreement when the Company determines that such interruption or reduction is necessary under circumstances that may include: (a) inspections of, maintenance work on, repairs to, replacements of, or changes in its facilities or equipment; and (b) emergencies, water shortages due to a lack of precipitation, stop orders or directives from the Town of Bayfield to stop service, and occurrences beyond the reasonable control of the Company. Except in cases of emergency, or occurrences beyond the Company's reasonable control, and limited to the Company's actual knowledge, the Company shall give reasonable notice of not less than three days to Homeowner of any such interruption or reduction, stating the reasons for and the probable duration of the interruption or reduction. The Company shall have no liability, and no claim shall be made by Homeowner against the Company on account of any discontinuation of water service pursuant to this Section 12.2. **Homeowner agrees that, from time to time, the Company may impose such water restrictions as it deems necessary, in its discretion, and to abide by any and all such restrictions.**
- 12.3. **FORCE MAJEURE.** In the event the Company is, at any time, delayed or interfered with in performing its obligations hereunder because of circumstances or matters

beyond the Company's reasonable control, including, but not limited to, acts of God; non-availability of materials, labor, or equipment; casualties, fire, weather and the like, or directives from the Town of Bayfield, the Company shall not be liable to Homeowner for failure to provide any of the water service hereunder. If any of the matters, circumstances, or events in this Section 12.3 occur, preventing the Company from performing hereunder, this Agreement (i) shall not terminate, (ii) nor shall the Company be accountable, or liable for the recovery of any damages related to such occurrences, including personal injury or property damage to the Homeowner.

ARTICLE XIII. PRIVATE ENTITY

Homeowner agrees that the Company shall provide water service to the Homeowner's real property, and shall provide such service as a private entity and not a public utility, and that all water service provided for herein shall be based upon availability. Homeowner agrees that Homeowner shall have no legal right to demand or receive any water service except as provided for herein. Homeowner understands and agrees that the Company may develop and expand its water system to supply other water users; provided, however, that notwithstanding such development expansion, the water service to be provided Homeowner by the Company as set forth in this Agreement shall continue. Homeowner understands that the Company water system capacity, size, water pressure, and quality to meet the present and future needs, including available water for fire protection, are limited to that which can be provided by the existing water facilities. Homeowner understands that the Company's liability with respect to furnishing water service to Homeowner shall be limited as set forth in this Agreement.

ARTICLE XIV. TRANSFER TO ASSOCIATION.

The Water System is currently owned by the Homestead Water Company, LLC. The Water System shall be transferred to the Homestead Trails Homeowner's Association, Inc., ("the Association") no earlier than (i) the date of termination of the Period of Declarant Control or (ii) the date upon which the Homestead At Bayfield, LLC has obtained and recorded the final subdivision plat which provides for inclusion of the Lots as provided in the Declaration. After the conveyance of the Water System to the Association, the costs and expense of the maintenance, repair or improvement of the Water System will be a Common Expense of the Association and Homeowners shall be assessed for the costs of same in accordance with Article VIII of the Declarations.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

- 14.1 NUMBER AND GENDER. Unless the context shall otherwise provide, a singular number shall include the plural, a plural number shall include the singular, and the use of any gender shall include all genders.
- 14.2 NOTICES. Any notice permitted or required to be delivered, as provided in this Agreement, shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) days after

a copy of the same has been posted in the United States mail, postage prepaid, for first-class mail and addressed to Homeowner at the address of the property, or such other address as Homeowner shall give to the Company, and delivered in accordance with the requirements of this Section 14.2. Any notice to the Company shall be sent to such address as it may from time to time designate in writing to Homeowner.

- 14.3 **CHOICE OF LAW AND JURISDICTION.** The terms and conditions of this Agreement shall be construed, interpreted, and enforced in accordance with the applicable laws of the State of Colorado. Jurisdiction and venue for any action as to this Agreement and the interpretation, enforcement, or determination of the rights, obligations, and liabilities of the parties hereto shall be in the District Court in and for the County of La Plata, Colorado. Each party submits to the jurisdiction and venue of the District Court in and for the County of La Plata, Colorado, and waives any and all rights under the laws of the United States, any other state, or any other county, to object to the jurisdiction of the District Court of La Plata County, Colorado, as to any action pertaining to this Agreement.
- 14.4 **SEVERABILITY.** Any determination by any court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof. Where any provision of this Agreement is alleged to be or declared by a court of competent jurisdiction to be invalid or unenforceable, the parties shall have the right to amend the Agreement to replace such provision with a new provision as similar thereto as practicable.
- 14.5 **DEFAULT AND REMEDIES.** In addition to the remedies permitted the Company in this Agreement, if any payment due is not paid, honored, or tendered when due to the Company or if any other obligation hereunder is not performed as provided in this Agreement, the Company shall have all legal equitable remedies available to it to recover all payment delinquencies and to enforce all obligations of Homeowner contained herein.
- 14.6 **AMENDMENTS OR MODIFICATIONS.** This Agreement constitutes the entire agreement and supersedes any prior agreement between the parties hereto, and no variance or modification hereto shall be valid or enforceable except by an amendment or supplemental agreement in writing executed or approved in the same manner as this Agreement. The Company has made no warranty or representation that is not contained herein. Homeowner shall not be entitled to rely on any warranty, representation, or promise not contained herein.
- 14.7 **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon the parties hereto and their legal and personal representatives, heirs, successors, and assigns. Upon the occurrence of an assignment by the Company, in whole or in part, including an assignment and transfer of the Water System to the Association, the Company shall thereafter be relieved of any liability and shall have no further responsibility or obligations under this Agreement.

14.8 COST OF LEGAL PROCEEDINGS. If either party institutes legal proceedings with respect to this Agreement, the prevailing party shall be entitled to court costs and reasonable attorneys' fees incurred by such party in connection with such legal proceedings.

14.9 HEADINGS AND CAPTIONS FOR CONVENIENCE. The headings and captions contained in this Agreement are for convenience only and shall not be considered in interpreting these provisions hereof.

ADOPTED this _____ day of _____, 2006.

HOMESTEAD WATER COMPANY, LLC

By: The Homestead At Bayfield, LLC, Manager

By: _____

Grant Richards, Manager of The Homestead At Bayfield, LLC

Appendix A

**HOMESTEAD TRAILS
WATER SERVICE AGREEMENT**
(As of _____ 2006)

I. TAP FEE

a. The Tap Fee for single family residential service where there is one meter for each residence, unless otherwise provided for in agreements between the Water System and the Homeowner, shall be as follows:

Single Residential Service (5/8 inch x 3/4 inch tap): \$3,850.00

b. The Tap Fees for commercial service are as follows unless otherwise provided for in agreements between the Water System and the Homeowner:

5/8 inch x 3/4 inch:	Single Residential Service Fee
3/4 inch:	Twice the Single Residential Service Fee
1 inch:	Triple the Single Residential Service Fee

II. MONTHLY WATER RATE SCHEDULE

a. **Residential Monthly Rate:**

Minimum monthly fee - \$30 for the first 2,000 gallons
\$3 per 1,000 gallons above 2,000 gallons and up to 6,000 gallons
\$5 per 1,000 gallons above 6,000 gallons of monthly usage.

b. **Commercial Monthly Rate:**

Minimum monthly fee - \$_____

c. **Landscape Credit:**

In order to assist new homeowners in establishing their lawn and landscaping, the Company will offer a one-time three month period with half price water billing. A Homeowner must request and apply for this credit in writing.

III. DISCONNECT AND RECONNECT FEES

a. **Disconnect Fees:** The fee charged for service disconnection is \$ 100.00.

b. **Reconnect Fees:** The fee charged for service reconnection is \$100.00.

**Appendix B
HOMESTEAD TRAILS
WATER SERVICE AGREEMENT**

APPLICANT/HOMEOWNER ACKNOWLEDGEMENT

By its signature below, the following constitutes the Applicant/Homeowner's acknowledgment of receipt of the Water Service Agreement for Homestead Trails and their acceptance and agreement to abide by the terms and conditions of the Water Service Agreement.

Applicant Name and Mailing Address: _____

Property owner Name and Mailing Address:
(If different) _____

Address of Property to be Served: _____

Assessor Parcel Number (APN) or
Legal Description): _____

Type of Service: Residential _____
 Commercial _____

APPLICANT/HOMEOWNER:

Date: _____
Date: _____