

WATER CONNECTION AND SERVICE AGREEMENT

This Agreement is hereby entered and effective as of this ____ day of _____, 20____ by and between DEER SPRINGS RANCH OWNERS ASSOCIATION, INC. a Utah non-profit corporation (“DSROA”) and the following individual(s) or entity as a Member of DSROA:

Member Name(s): _____

DSR Unit Number(s): _____

1. Water Connection. Upon the execution hereof and the payment of all fees set forth herein, DSROA shall allow the Member named above (the “Member”) to install a water connection according to plans to be presented and approved by the DSROA water committee or Board of Directors prior to the commencement of any work on said connection.

1.1 Waiver. In consideration of this Agreement, the Member hereby warrants that the Member understands and agrees that there is no warranty or guarantee by DSROA as to the quantity or quality of the water to be provided hereunder.

1.2 Default. In the event that DSROA is unable to provide water as described herein, the Member expressly agrees that the Member’s sole remedy is to terminate this Agreement and to be relieved of any further obligation to pay fees.

2. Care of DSROA Water System. DSROA shall use reasonable care to maintain any water source, including any well, as well as the water delivery system or piping to comply with the State of Utah regulations for drinking water. However, the Member acknowledges and agrees that since the DSROA water system is a remote and seasonal system that mechanical problems can occur and that the Member will not hold DSROA responsible for any damages resulting from mechanical failures, lack of water quality or quantity, or loss of water supply resulting from any cause, including any mechanical problems.

3. Maintenance. DSROA shall be responsible to pay the cost or expense for maintaining or operating the DSROA water system including any well, water lines, fittings and controls. However, the Member shall be solely responsible for all maintenance and repairs to any piping, valves, tanks or any part of any delivery system at which the Member connects to the DSROA water system regardless of where said connection takes place.

4. Costs and Requirements. The Member will pay the expenses for any part of the system added or installed by the Member or for any portion of the system which would otherwise be unnecessary to DSROA, including a required meter and all pipe and fittings from the point at which the Member connects to the DSROA water system. Member will install and pay for an approved back flow prevention device as required by law. The Member shall also purchase and install all piping necessary to convey water from the DSROA water system to the Member’s Lot.

5. Volume. While DSROA does not guarantee the availability or flow of any water, DSROA agrees to provide up to 10,000 gallons of water per month per connection at a cost of Thirty Dollars (\$30.00) per month. If Member uses more than the amount set forth above, then the Member shall be charged an additional \$30.00 per month for each additional 10,000 gallons or portion thereof. (E.g. If the Member uses 11,500 gallons then the charge will be \$60.00 for that month). In the event of no use by the Member

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during a year, then a “stand-by” fee of \$50.00 shall be charged for that year. In the event that the DSROA water system is shut down completely for a month, then the Member will not be charged for that month.

6. Connection Fee. Before a Member shall be permitted to connect to the DSROA water system, the Member shall pay a one-time connection fee of Five Thousand Dollars (\$5,000.00).

7. Dispute Resolution. In the event that a dispute arises out of the terms of this Agreement, the parties hereby expressly agree to submit the dispute to mediation and then to binding arbitration to be held exclusively in Kanab, Utah.

DSROA:
Deer Springs Ranch Owners Association, Inc.

Member:

By:
Its:

Signature

Print Name