

WELL AGREEMENT CONTINUED

The maintaining Owner shall insure and enforce compliance with the terms of this agreement and any other conditions or restrictions including being empowered to refer for collection and Owner whose fees or assessments are considered to be in default of this agreement.

The maintaining Owner shall receive the electric bill and pay before it becomes delinquent.

The maintaining Owner shall monitor the use of the Well System to insure each of the services are equipped with a shut off valve so that the well pumping system shall not be shut down each time work is being done on any individual service line.

The maintaining Owner shall assess all Owners equally to cover the cost of repair or replacement of components of the Well System.

WELL AGREEMENT

This agreement is made among the present and future owners ("Owners") of the real property described herein and incorporated as part of this agreement as Exhibit B (legal descriptions attached) and may be executed in counterparts.

Whereas the Owners intend to be users of the water from a community water well system ("Well System") located on that certain well site as described in Exhibit A (legal description attached)

The Owners shall have an interest in the Well System as follows: Each well share shall have one fifth interest in the Well System. There shall be no more than a total of 5 connections to the Well System.

From (Close of escrow on lot 1) the undersigned hereby assume joint responsibility for the Well System. Each of the undersigned parcel owners shall have an ownership in the access and utility easement, well and casing, pump, pipe, pressure tanks, wire, meter loop with breaker and entrance assembly and all other miscellaneous items required for proper operation of the well. All maintenance, repair, etc. of water lines from the well to each service shall be the sole responsibility of the Owner of each service.

The Well System shall be managed and used in accordance with the terms specified herein. This document, when recorded together with a plat map showing well site and water line routing, easement descriptions and a well site description shall constitute a permanent water system easement.

All Owners acknowledge that the well will be used in such a manner as to continue its status as an "exempt well" under Arizona Groundwater Management. Each Owner shall have the right to use the water from the Well System for reasonable domestic uses on the Owner's parcel so long as the Owner is not in default of the Owner's obligations under this agreement.

Owners mutually consent to the recording of this document in the Pima County recorder's office. The Well System as described shall not be expanded, altered or changed unless mutually agreed upon by all Owners. Abandonment of this agreement requires a unanimous vote of the Owners. There shall be no connections to the Well System in excess of 5, one for each of the 5 parcel ownerships.

Initial Agreements

All users are required to install a shut-off valve, water meter and enclosure with lid, located and easily accessible within the utility easement at the individual user's expense.

That portion of the electric bill that is charged to each user is determined as follows: Divide the total electric bill by the gallons of water used by well users for the current billing period, then multiply that figure by the actual gallons of water used by each user.

Water line maintenance shall be the responsibility of each user.

Any user more than 15 days late with their payment shall pay an additional \$25.00 late fee

In the event the well user fee is past due by 60 days, the Maintaining Owner is authorized to discontinue the delinquent user's access to water from the Well System by locking the shut off valve in the closed position. The Maintaining Owner must promptly restore the water supply upon payment in full of well use fee, late fee and any other costs incurred due to termination of service.

All provisions, conditions, restrictions, and charges herein set forth shall be binding upon all parcels of the subject properties and upon present and future owners thereof. Any breach of any terms of this agreement by any owner for a period of thirty (30) days after written notice to said Owner shall be grounds for any Owner(s) to apply to any court of law for any injunction or other proper relief. If such relief can be granted, the court may award to the plaintiff in such action his reasonable expenses in prosecuting such suit, including attorney's fees and damages.