

WATER SERVICE AGREEMENT

WHEREAS, Spring Canyon Water Company, hereinafter referred to as the "ASSOCIATION", is the owner of water producing wells and water distribution system, including reservoirs serving that real estate development known as Spring Canyon Estates Subdivision located in Pennington County, South Dakota, and the undersigned is a property owner in the Spring Canyon Estates Subdivision and desires to acquire water from the Association, now therefore,

THE UNDERSIGNED, hereinafter referred to as the "OWNER", shall receive water service from the Association, but the acceptance of water service shall be only under the following terms, conditions and stipulations:

1) The Owner shall provide all labor and materials necessary for connecting to the Association's water line at the point closest to Owner's lot line. The Owner shall provide a shut-off valve at the connection of his line and the Association's main water line. The shut-off valve shall be in the control of the Association in order to discontinue service under the provisions herein. First time membership to the Association costs \$2500 for membership. An additional \$1600 is paid to the Association in order to help recover the original costs associated with main water line installation. After these fees are paid, the Owner is responsible for all costs associated with connecting to the system.

2) Initially, for all water used by the Owner at the lot described below, the Owner shall pay to the Association a \$50 dues deposit which will be refunded should the Owner terminate membership in the Association. This assumes that the Owner's account is current at time of termination. A monthly charge for Association dues shall also be paid by the Owner. This charge is currently \$40 and shall be paid, no later than the first day of each month, to Spring Canyon Water Association, PO Box 862, Rapid City, SD 57709. No invoice for monthly dues will be sent by the Association. Any number of months may be paid at one time.

Upon giving (30) days notice, by mailing to the home of the owner, the Association may raise or lower the monthly dues provided herein. If at any time the Board of Directors of the Association determines that income from monthly dues is insufficient to satisfy its financial obligations, the Owner may be required to pay an assessment in addition to the normal monthly charge. This assessment will apply uniformly to all members of the Association.

- 3) The Owner shall pay the amount due and owing to the Association within ten (10) days following the end of each and every calendar month during which water service continues.
- 4) The Association shall have the right to discontinue water service to the Owner if the Owner has not paid dues in full by the 25th day of each month.
- 5) The Association shall have the right to determine the type of materials used and the method of installation and connection of the Owner's service line from the Association's main line to the Owner's home.
- 6) The Association does not in any way guarantee to the Owner the quality or quantity of water available through its water distribution system, nor the life of the well which the Association has and from which it will be depending on for its water supply. If the quantity of water should at any time or for any reason not be sufficient for the anticipated needs or desires of those connected to the system, the Association reserves the right to establish and enforce restrictions and regulations with regard to the quantity and purpose of water use which the Owner is allowed. Notice of these restrictions and regulations shall be given by posting written notice of the regulations at the entrance to the subdivision and shall go into effect immediately upon posting. Any failure on the part of the Owner to obey the rules and regulations shall be considered a default and authorizes the Association to discontinue water service to the home at which the violation was committed.
- 7) The Association shall have the right to temporarily discontinue the flow of water in the main in order to repair, maintain, improve or replace the main or any other portions of the Association's water distribution and supply system.
- 8) The Owner shall use water, provided by the Association, for residential purposes and the acceptance of water service from the Association shall not give the owner any rights whatsoever to use water for commercial purposes. Any commercial water use by the Owner shall authorize the Association to discontinue water service to the lot on which the commercial activity is being or has been conducted.
- 9) The Owner is obligated to maintain the service line from the residence to the shut-off valve. Any failure to maintain said line in a proper condition shall authorize the Association to discontinue service to the lot.

10) The Owner shall at no time assert any claim hereunder against the Association for loss or damage which may result from the inadequacy or non-availability of water as to both pressure or quantity or from any other defects in the Association's system; and the Owner agrees to indemnify the Association and save the Association harmless from any and all claims of liability for the loss or damages to any person or property resulting from, arising out of, or connected with the rendition or service hereunder in the event of such inadequacy or non-availability of water in the event of leaks or other defects in the Association's system.

11) The Owner hereby agrees that in the event of the sale of the Owner's property, that the Owner will notify the buyer of the rules and regulations and the by-laws of the Association and will notify the Association of the sale.

12) The real property to which this Water Service Agreement pertains is described as:

Lot 6R in Block 1 of Spring Canyon Estates
Subdivision as shown on the Plat filed in Plat Book 16

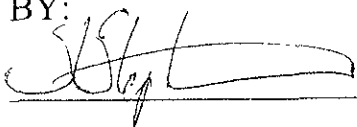
13) The undersigned does hereby acknowledge a true and correct copy of this document and further acknowledges that he or she has read said document in full and understands the conditions set forth therein upon accepting water service from the Association.

Dated this 6th day of February 2010.

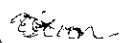
Spring Canyon Water Company

Owner

BY:



Steve Stephenson
It's: President

Marion C. Elston
Owner 
Marion

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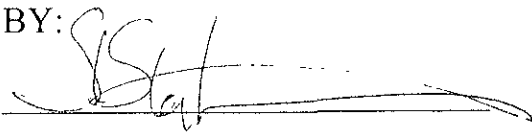
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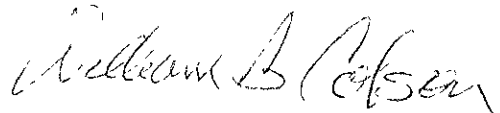
Spring Canyon Water Company

BY:



Steve Stephenson
It's: President

Owner



William B. Colson or
Mary T. Colson
Owner

