

LION'S HEAD WATER USER'S ASSOCIATION RULES AND REGULATIONS

1. These rules and regulations shall govern the operation of the Lion's Head Water User's Association. The purpose hereof is to provide for the control, management and operation of the water Distribution system of the Association.

2. DEFINITIONS:

Unless the context specifically indicates otherwise, the meaning of words and terms as used herein shall be as follows:

"ASSOCIATION" shall mean the Lion's Head Water User's Association.

"BOARD" shall mean the Board of Directors, which is the governing body of Lion's Head Water User's Association.

"DISTRIBUTION LINE" is the pipeline extending from the Main to the water Meter which, exclusive of said Meter, is owned by the Member.

"MAINS" are the principal arteries of the water system owned by the Association to which Distribution Lines are connected.

"MEMBER" shall mean any person or entity owning any of lots 10 through 16 inclusive in Elk Stream Ranch Phase 3 and Lot 8 in Elk Springs Ranch.

"METER" is that measuring device used to determine the quantity of water used by each Member. All Meters are owned by the Association, but are paid for by each of the Members.

"SERVICE LINE" is the pipeline (exclusive of the Meter) extending from the water Meter to the Member's building or point of use and is owned by the Member.

"TAP" means the connection of the distribution line to the main.

3. METER REQUIREMENTS:

All water will be metered, except for fire fighting flows through fire hydrants. A single Meter will serve one residence, one guesthouse, barn, outbuildings, and water for irrigation not to exceed one acre.

Water lines from any Tap may not be carried across property lines or lot lines for use outside the lot lines of the lot for which the Tap is purchased. Water flowing through Taps shall serve on the property where application for service connection was originally made.

4. OWNERSHIP AND RESPONSIBILITY FOR MAINTENANCE:

The Association is responsible for water distribution of potable water to the lots hereinabove described and for the maintenance, repair, preservation and protection of the water rights and replacement of all facilities owned by it. The Members shall be responsible for the maintenance, repair and replacement of all facilities owned by the Member. The Association shall promptly repair any facility owned by it and the Member shall promptly repair any facility owned by it. If the Association shall become aware of any break or leak in the Distribution Lines or Service Lines, it shall have the right, but not the obligation to terminate service to that Tap until the line is repaired.

The Member shall install a pressure-reducing valve on his system. The Association shall not be responsible for any damage caused by fluctuating water pressure in the Distribution Lines or Service Lines.

If a Member complains in writing that his Meter is not accurate in its readings or the system's operator feels a Member's Meter is inaccurate, the Association shall inspect the Meter to determine its accuracy. The Association may then send the Meter so removed for testing. If said Meter is found to be accurate within acceptable standards, and the meter was inspected at the Member's request, then the expense of removal of the old Meter, the cost of re-installing the Meter as well as the transportation and testing charges incurred by it shall be borne by the Member. If the Meter is determined to be defective, then the Association shall pay those expenses.

5. WATER RATES AND FEES:

There is hereby established a reserve account for operation and maintenance of the system as provided in the bylaws. The sums required by the bylaws shall be placed in a reserve account and shall be in addition to any other charges made by the Association. If such reserve account were depleted to a point where the Board determines that additional reserve monies are needed, the Board shall levy an assessment on each lot to replenish such reserve account. After service to any lot has been commenced, there shall be a minimum monthly charge of \$60.00 (changing from \$40.00 April 1, 2022) which shall entitle Member to use 20,000 gallons in that month. For water used in excess of 20,000 gallons per month, charges shall be as follows:

Next 10,000 gallons \$3.00 per 1000 gallons
 Next 10,000 gallons \$4.00 per 1000 gallons
 Next 10,000 gallons \$5.00 per 1000 gallons
 All gallons above 50,000 \$6.00 per 1000 gallons

6. APPLICATION FOR SERVICE AND TRANSFER OF TAPS:

All owners of lots described are Members of the Association. At such time as any Member is desirous of securing water service for Member's lot, Member shall apply in writing to the Association for such service. Association will promptly Tap the main. Member will construct the Distribution Line and install the Meter, at Member's sole expense; PROVIDED that the Meter shall be the sole property of the Association and Association shall have the right to inspect the Meter for the purpose of ascertaining

accuracy. The Meter shall be installed at a location to be determined by Association. The Service Lines shall also be installed by Member at Member's sole cost and expense. Taps may be transferred only by an instrument in writing and may be made only in connection with the sale of the property.

7. PAYMENT FOR WATER USE:

Meters will be read every month and statements for water used will be mailed to the Member at the address furnished by Member for mailing of such statements. The statement shall contain a due date and if any statement for water usage or assessments be not paid on the due date as shown, a \$10 late fee plus interest at the rate of 10% per annum from the date of delinquency will be added to Member's account. Water service shall be discontinued by the Association if any statement is not paid within 60 days of the due date. No restoration of water service shall be made unless Member pays the account in full. If Member's water service had been discontinued and Member pays the account in full, Member must pay a reconnection charge of \$25.00 to the Association.

The monthly minimum charge shall be paid by Member whether there is any water usage through Member's Meter during any month.

The Association shall give Member in writing at least 72 hours before it discontinues service for failure of Member to pay his account as hereinabove set out. Such notice may be delivered to Member personally or by United States certified, return receipt requested mail addressed to Member at the address furnished by Member for mail communication between the Association and the Member. The Association may enforce collection of any unpaid amount by refusing to deliver water and or by legal action at its option.

8. EXPENSE OF ENFORCEMENT OF THESE RULES:

Association shall be entitled to recover reasonable expenses of enforcement of these rules, including, but not limited to attorney's fees.

9. DUTY OF ASSOCIATION TO FURNISH WATER:

Association shall exercise reasonable efforts and diligence to furnish Members with a continuous supply of water, but shall not be liable to Members for any failure by Association to do so caused by any condition beyond the control of the Association.

10. LIABILITY OF ASSOCIATION FOR ACTS OF ITS AGENTS, SERVANTS OR EMPLOYEES:

Control of the Association's affairs is vested solely in its Board of Directors. The Association shall not be liable for any act of an agent, servant or employee acting without express authority of the Board.

11. ENTRY UPON LANDS OF MEMBERS:

The Association, acting through its agents, shall have the right at all times to enter upon the lands of the Members for the purpose of inspecting water mains, Distribution Lines, Service Lines, Meters and any other devices necessary to the distribution of water to the Member.

12. FIRE PROTECTION:

In addition to the existing fire hydrant, if the Directors deem it advisable to provide for fire protection using the Association's water and Mains, it shall submit the question to the Members and the Members shall vote on the question by mail. If a majority of the Members vote in favor of such question, the board shall provide for such protection, whether by use of fire hydrants or ponds.

13. PROTECTION OF ASSOCIATION'S WATER SYSTEM:

No Member or other person shall uncover, make any connection to or opening to use, alter, or disturb any of the water distribution system owned by the Association.

14. REGULATION OF USE OF WATER:

Whenever there is a shortage of water the Board shall have the authority to limit the use of water by Members, such limitation to be confined only to the period of water shortage.

15. AMENDMENTS TO RULES:

These rules may be amended at any time by the Board of Directors provided that the Board shall give the Members at least 15 days notice in writing of its intention to do so. The notice shall be given to the Members by United States Certified Mail, Return Receipt Requested or by email if the member has provided an email address to the Board. Mail notice shall be deemed complete on the date shown on the return receipt or on the date when the certified article shall be returned to the Board as being not deliverable or delivered.