

RECORDING REQUESTED BY _____
AND WHEN RECORDED MAIL TO _____

This Space For Recorder Only

WATER SYSTEM AGREEMENT

This WATER SYSTEM AGREEMENT entered into this _____ day of _____, 2002, by and between _____ herein after called Owners.

WHEREAS, Owners owns Parcels _____ of Parcel Map CO _____ as shown on a Map recorded in Book _____ of Parcel Maps at Page _____ in the office of the County Recorder of the County of San Luis Obispo and,

WHEREAS, there is located on Lots _____ of Section _____, Township _____, Range _____ operating water well pumping facilities and water supply facilities sufficient to serve up to _____ residences on said Parcel _____ and,

WHEREAS, said facilities are setforth and granted in that certain easement deed recorded in Volume _____ of Official Records at Page _____,

WHEREAS, the parties by the Agreement desire to the multiple and joint use of said water well (State of California Well Completion Report No. _____) and water system for the use of water there from upon their respective Parcels and to define their rights and obligations relative to such use, and

WHEREAS, Owners has granted on said Map easements over and across said Parcels _____ for the placement of necessary water transmission and storage facilities for the transmission and storage of water to said Parcels _____ and

NOW, THEREFORE, the parties agree as follows:

1. GENERAL: The parties to this Agreement shall have equal rights to pump, transmit, and use water from the well and water supply facilities located on said Lots _____ of said Section _____ pursuant to the provisions of this Agreement. Provided that upon sale of Parcels _____, the new owners thereof shall have the right to become a party to this Agreement, and upon the sale of each Lot there shall be an amendment entered into the Agreement making said party a party to this Agreement.

2. **BOARD OF DIRECTORS:** A Board of Directors shall be established which shall consist of those persons owning said Parcels _____. For the purposes of developing policy and operating the water system, each person owning said Parcels _____ should have one vote. A simple majority will be required to enact any water company business. The Board of Directors shall meet and establish a set of Bylaws for the operation and maintenance of the water system.
3. **USE OF WATER:** Said well shall be used solely for _____ purposes for _____ Residence on Parcel _____ and _____ residences on Parcel _____.
4. **OPERATION AND MAINTENANCE:**
 - A. **ACCESS:** Whoever shall at any time be the owner of said facilities set forth and granted shall provide reasonable access to said well and water supply facilities in said Lots _____ of said Section _____ for maintenance and operation.
 - B. **ELECTRICAL SERVICE:** Whoever shall at any time be the owner of said facilities set forth and granted shall not disrupt the electric service to said well.
 - C. **OPERATION and MAINTENANCE:** Whoever at any time shall be owners of said Parcels _____ shall have the right and duty to keep said well in operation and repair and to secure electric power to pumping and pressure facilities appurtenant thereto. Said owners shall also maintain a water storage facility and/or pressure system adequate to bring sufficient water to each Lot to be served under this Agreement.
5. **COSTS**
 - A. **APPORTIONMENT:** It is understood and agreed that the owners of Parcels _____ shall be liable for an equal proportionate share of the cost of operation, repair, and maintenance of said well, the storage facility, and pumping facilities. Said costs shall include an equal proportionate share of the cost of periodic electrical charges for the operation of said well and appurtenant facilities.
 - B. **ASSESSMENT:** It is understood and agreed that the owners of Parcel _____ shall pay an amount of _____ per month for the operation and maintenance of the water system. It is further understood that an initial assessment of _____, which is nonrefundable, will be charged to each owners of Parcels _____ upon recordation of a Grant Deed.
6. **PIPELINES:** It is understood and agreed that a single water line serves more than one (1) lot and the parties using said pipeline shall be jointly responsible for the maintenance of said pipeline. No party hereto shall do any act which interferes with the joint use of said pipeline and any party causing damage to said pipeline shall immediately repair said pipeline at their sole cost.
7. **COMPLIANCE WITH THE LAW:** It is understood that all parties have the continuing duty to assure that the operation of said well and said water system is done in compliance with all the State and local laws and regulations. It is understood and agreed that this entire Agreement is subject to such laws and regulations.
8. **CHANGES IN AGREEMENT:** it is understood and agreed that the parties to this Agreement may amend or revise this Agreement in any manner at any time,

including, but not limited to, provisions for separate metering of water to the Lots, etc..

9. **TERMINATION OF AGREEMENT:** Upon written termination of this Agreement for any reason, either as to all or any parties hereto, said parties shall reconvey to the underlying fee owner any easements for the use of said well and/or pipelines from said well, and upon such termination all rights in said well and appurtenant facilities under this Agreement shall cease as to the parties for whom said termination is effective.
10. **COVENANT WITH THE LAND:** The benefits and obligations of the covenants herein shall run with the Lots herein described so long as this Agreement is in effect and shall bind the respective parties hereto, their heirs, legal representatives, grantees, and assigns.
11. **VIOLATION:** In the event of any legal action arising out of violations of this Agreement by any party, the successful party or parties shall be entitled to costs of suit together with reasonable attorney's fees.
12. **ACCOUNTING PROCEDURES:** The Board of Directors herein above described shall supply all parties a written yearly accounting of all expenses incurred and a disposition of a funds.

EFFECTIVE DATE: This Agreement shall become effective and operative upon the recordation of this document with the San Luis Obispo County Recorder.

_____	_____
_____	_____
_____	_____

NOTARIAL

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO

On _____ before me, _____
Personally appeared _____ (personally know to me) or proved to me on the
basis of satisfactory evidence) to be the person whose name is subscribed to the
within instrument and acknowledged to me that he executed the same in his
authorized capacity, and that by his signature on the instrument the person or the
entity upon behalf of which the person acted, executed the instrument

Witness my hand and official seal

Signature

Name Printed

County of _____

Commission Expires _____

Commission No. _____