EASTSIDE

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: LMD
DEPUTY RECORDER
1963 R02B

TTITI
CHICAGO TITLE INSURANCE CO

6245 E BROADWAY
TUCSON AZ 85711

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JOINT WELL AGREEMENT

The below signed Owners of the Southeast Quarter of the Northeast Quarter of Section 11, T.16 S., R.14 E., G&S.R.M., Pima County, Arizona do hereby establish this Joint Well Agreement for the use and benefit of all subsequent owners, their heirs and assigns, as undivided interests in the well, well pump, tanks and appurtenances and well site easement as recorded in Docket 10633 at pages 193 and _____, attached hereto as Exhibits. and rerecorded in Docket 10692 at page 154

(A) The well located on the Well Site is registered as an exempt well with the Arizona Department of Water Resources as number 55-563999, File Number D (16-14) 11 ADB (the "Well"), and is restricted to a flow of no more than 35 gallons per minute and use for domestic purposes as set forth in Arizona Revised Statutes as 45-454.

(B) It is the intention of the Parties that a well pump, electrical and mechanical facilities, water pressure tank(s) and water usage meters necessary for joint operation and use of the Well (the "Well Equipment") shall be installed and maintained on the Well Site in accordance with this Agreement. Use and operation of the Well will be for the mutual benefit of the owners of all Parcels within the area covered by this agreement.

(C) The Owners have established this agreement to set forth the rights and obligations with respect to common ownership of the Well Site and Well Equipment and to provide for the costs of repair and for sharing the cost of electricity and other operational expenses for the Well, for the mutual benefit of the owner of each Benefitted Parcel and its successors in ownership.

NOW THEREFORE, in consideration of the mutual agreement herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

(1) Upon execution of this Agreement, Seller shall install on the Well Site at its sole expense a well pump, and such electrical, mechanical and water storage facilities, including all necessary electric, connections and an electric meter, as are necessary for joint operation and use of the Well in accordance with this Agreement.

(2) Any of the Parcel Owners or their permitted successors may connect to the Well Site, install water pipes, and use the Well Equipment to transport well water to their respective Benefitted Parcels, provided that the Well is not overburdened and such use does not violate the statutory or regulatory restriction on an exempt domestic well.

(3) Each Parcel Owner shall, at its own expense, install, maintain and repair its own individual water delivery system and the necessary electrical connections, and each shall be responsible for any damage caused to the Well Site or Well Equipment or to any other Parcel Owner's water pipes or related equipment arising from such installation maintenance or repair from the Well to the point of use within the boundaries of its Benefitted Parcel, entirely underground.

(4) The owner of each Benefitted Parcel shall have the right to take water from the Well for reasonable domestic use on its respective Benefitted Parcel only. No Parcel Owner shall provide water to any other property or to any other Parcel Owner, person, or entity, on or off the subject property, nor cause any Benefitted Parcel to be divided or fractionalized in any manner, or assign its rights under this Agreement, without the express written consent of all the other Parcel Owners or their permitted successors.

(5) The Parties agree that no water shall be used for commercial purposes, but only for their private domestic use.

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(6) No Party shall perform any act of commission or omission which would restrict or hinder the operation or usage of the Well by the Parcel Owners.

(7) No Parcel Owner may convey its interest in the Well Site or Well Equipment to any third party for the benefit of any property other than the Benefitted Parcels. All provisions of this Agreement, including the benefits and burdens, shall run with the land described herein as the Benefitted Parcels.

(8) _____ shall be the manager in charge of paying the operating costs, defined below, and billing the Parcel Owners therefor (the "Manager"). The Manager shall maintain a permanent power supply to the Well, and ensure that water delivered from the Well conforms to all applicable health regulations and standards, with the costs of water quality testing and of upgrade or repair to be borne by the Parcel Owners in accordance with Paragraph 11. Subsequent Managers may be chosen by agreement of a majority of the Parcel Owners in accordance with Paragraph 11.

(9) Until such time as there is more than one Parcel Owner connected to the Well, responsibility for payment of the cost of electrical service to the Well ("Operating Costs") shall fall on the Parcel Owner who is using water from the Well. Each Parcel Owner receiving water from the Well and thereafter each Parcel Owner who subsequently connects to the Well ("Water User") shall install and maintain on its Parcel, at its own expense, a water usage meter approved by the Arizona Department of Water Resources ("ADWR") for the purpose of measuring the amount of water delivered to its respective parcel from the Well. Each Water User shall pay its proportionate share of Operation Costs based on its proportionate share of water usage, which shall be determined according to the following formula:

Total Water Produced by Well Water Delivered to Water User's Benefitted Parcel	=	Share of Operating Costs Paid by Water User

The Manager shall record the reading on each water meter on the same day each month, and shall provide each Water User with such readings in conjunction with the statement of Operating Costs. Operating Costs shall be billed on a monthly basis by the Manager and paid by each Water User within fifteen (15) days of receipt of a bill therefor.

(10) The Parcel Owner shall pay all assessments and real property taxes levied upon the Well Site in the same percentage as their Ownership Interest in the Well Site. Payments shall be due within thirty (30) days after a Parcel Owner's receipt of notice thereof, as provided in Paragraph 17.

(11) The Parcel Owners agree to share proportionally in the same percentage as their Ownership Interests in the Well Site, any and all costs of maintenance, repair, replacement or upgrade of the Well and Well Equipment ("Maintenance and Repair Costs") necessary to the production and delivery of water in accordance with the Agreement, and the cost of any insurance deemed necessary by the Parcel Owner. A majority of the Parcel Owners (with each Parcel Owner having one vote, irrespective of whether that Parcel Owner owns more than one Benefitted Parcel) must agree in writing concerning expenditures, including but not limited to the repair, replacement or upgrade (other than routine maintenance) of the Well Equipment or the Well Site before all Parcel Owners shall become responsible for payment of such costs. The Manager or Parcel Owner proposing repairs shall notify the other Parcel Owners in writing thirty (30) days prior to any expenditures. In the event a Parcel Owner does not respond to a written notice of proposed expenditures for the Well Site or Well Equipment within thirty (30) days of receipt thereof, that Parcel Owner shall be deemed to have consented and shall be responsible for its pro rata share of such expense (if such expense has been approved by a majority of the remaining Parcel Owners).

(12) In the event that the Parcel Owners agree on the proposed repair, but cannot agree on the amount to spend, bids shall be obtained from two disinterested repair companies with experience in well and water delivery system installation and repair, selected by the majority of Parcel Owners in accordance with Paragraph 10 and the low bid shall be selected and shall be binding upon all Parcel Owners.

(13) If any Parcel Owner fails to pay its pro rata share of Maintenance and Repair Costs or Operating Costs within sixty (60) days after receipt of written notice thereof, the Manager shall charge the delinquent Parcel Owner interest at the rate of 15% per annum until the full amount of principal

along with interest shall have been paid which amounts shall be used to defray Operating Costs deposited in the Well Replacement Fund. The delinquent Parcel Owner shall further be obligated to pay the attorney's fees and costs incurred by the Manager or other Parcel Owners if it becomes necessary to seek legal remedies for payment after ninety (90) days from delivery of notice.

(14) Any Parcel Owner may withdraw from this Agreement upon: (1) disconnection of water delivery from the Well Site to such Parcel Owner's Benefitted Parcel; (2) payment of all charges incurred by such Parcel Owner through the date of disconnection of water delivery; and (3) provision of written notice of withdrawal to the other Parcel Owners in accordance with Paragraph 17, at which time the Parcel Owner's obligation to pay Operating Costs and Repair and Maintenance Costs shall terminate. Upon such withdrawal, all Parcel Owners shall execute and record in the Office of the Pima County Recorder an Amendment to Joint Well Agreement providing notice that the rights and obligations under this Agreement have terminated as to the respective Benefitted Parcel.

15) A dispute under this Agreement concerning maintenance, repair or replacement of the Well, which cannot be resolved among the Parcel Owners within ninety (90) days shall upon written notice by any Parcel Owner to the other in accordance with Paragraph 17, be resolved by a disinterested, third-party, licensed professional engineer ("Engineer") with experience in the area of well drilling and water delivery systems mutually agreeable to the Parcel Owners with costs to be borne by the Parcel Owners in proportion to their interest in the Well Site. In the event the Parcel Owners cannot agree upon one Engineer within twenty (20) days of a request therefor, the Parcel Owners agree that either Parcel Owner may upon notice request the then-presiding judge of the Pima Superior Court to make such selection. The decision of the Engineer shall be binding upon the Parcel Owners. Any other dispute, including a dispute concerning payment of amounts due under this Agreement, may be resolved in according with the remedies available at law or in equity.

16) In the event of default of this Agreement, in addition to the rights and remedies provided herein, the Parcel Owners shall have all rights and remedies available at law or equity.

17) Any notice, demand, or request required by this Agreement, or by applicable law, shall be deemed fulfilled by personal delivery, messenger service, or United States mail to the Parcel Owner entitled thereto or its successors or assigns. If mailed, such notice, demand or request shall be made by certified or registered mail, postage prepaid and deposited in the United States mail addressed to the Parties at the respective addresses stated in (D) above and to successor Parties at the address shown in the records of the Pima County Recorder for each of the Benefitted Parcels, or such other address as may be provided to the Parties and to the Manager.

(18) All Parties hereto understand that there is no warranty given by any of the Parties that the Well will at any time produce water of a quantity or quality necessary to meet the needs or demands of any Parcel Owner. There is no express or implied warranty made by any Parcel Owner hereto that the water produced by the Well will be of a quality fit for human consumption or domestic use.

(19) This agreement and the documents executed and recorded concurrently herewith represent the entire Agreement of the parties, and all prior negotiations and agreements, whether written or oral, with respect to the subject matter hereof, are superseded hereby.

(20) This Agreement shall not be changed, modified, expanded or rescinded except in writing, signed by all Parties.

(21) This Agreement shall be construed in accordance with the laws of the State of Arizona. In the event any portion of this Agreement shall be found unenforceable or contrary to the laws of the State of Arizona, the remainder of this Agreement shall continue in full force and effect.

(22) In the event action shall be initiated to enforce this Agreement, the prevailing Parcel Owner or Parcel Owners shall be entitled to recover reasonable attorneys' fees and court costs.

(23) This Agreement shall be binding upon the heirs, assigns, trustees, and successors in interest of the Parcel Owners hereto. It is expressly understood and agreed that no Parcel Owner may cause its interest to be further divided on fractionalized without the express written consent of all Parties hereto or their permitted successors.

By: E.H. Lewis
E.H. Lewis

Date: 12/4/97

By: Betty J. Lewis
Betty J. Lewis

Date: 12/4/97

State of ARIZONA }
} ss.
County of PIMA }

Date of Acknowledgment 12/4/97

Acknowledgment of: **E.H. LEWIS and BETTY J. LEWIS**

This instrument was acknowledged before me this date by the persons above-subscribed and if subscribed in a representative capacity, then for the principal named and in the capacity indicated.

OFFICIAL SEAL
BONNIE O'CONNOR
NOTARY PUBLIC-ARIZONA
PIMA COUNTY
My Comm. Expires 1/9/99

My Commission Expires

Notary Public

jwa.wps/sd

10703 2824

10633 194

10703 2825

SWAN ROAD

N00°14'12"E

1322.98'

N89°25'36"E 3894.70'

EXISTING 30.00' INGRESS & EGRESS EASEMENT

WELL EASEMENT

1323.61'

1323.23'

EXISTING 6.00' UTILITY EASEMENT

N

SCALE: 1"=300'

SE 1/4, NE 1/4
SEC 11, T16S, R14E

1323.80'

N00°14'10"E

N00°06'46"E

1249.19'
S89°26'14"W
3897.55'

1324.17'
2648.32'

WEST 1/4 CORNER
SEC. 11, T16S, R14E

EAST 1/4 CORNER
SEC. 11, T16S, R14E

EXHIBIT "A"

DWG: WELL
XREFS: LEWIS-MT

.OB#: WELLEASE.WPS

9/10/97