

LANDS OF DETHOMAS, LLC WELL SHARE AGREEMENT – LOTS 1-A-1, 1-B-1 AND 1-B-2

THIS AGREEMENT made this 3rd day of MAY, 2017, by Rosemary Segura-De Thomas, a single woman as the seller. The buyers will hereinafter be referred to as "Shareholder" or users; WITNESSETH:

WHEREAS, ROSEMARY SEGURA-DE THOMAS, a single woman, hereinafter also referred to as a shareholder, is the owner of Lot 1-A-1, Lot 1-B-1 and Lot 1-B-2 of the LANDS OF DETHOMAS, LLC within SECTION 6, TOWNSHIP 12 NORTH, RANGE 5 EAST, N.M.P.M., SECTION 31, TOWNSHIP 13 NORT, RANGE 5 EAST, N.M.P.M. Sandoval County, New Mexico, as the same as shown and designated on the Plat thereof, filed in the office of the County Clerk of Sandoval County, New Mexico on April 6, 2017, as more fully appears on the Plat of Survey of LANDS OF DE THOMAS, LLC prepared by Anthony Harris of H-S-I, Harris Surveying Inc.

WHEREAS each lot of the above referenced Lots will be sold including an undivided 1/3 Interest in a well located on Lot 1-B-2.

The Water System

Definition of Water System. As used herein, the term "water system" shall mean well, equipment, tanks, pumps, distribution lines, meters, vales, easements, materials, supplies, water rights and other real and personal property including water rights which constitute the well share domestic water delivery system. "Water system extension" shall mean any additional wells, equipment, tanks, pumps, distribution lines, meters, valves, easements, materials, supplies, or water rights, which are added to the water system to expand the area of service or increase the service capacity of the water system.

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Costs of Construction of the Water System. All costs of construction of the water system and any water system extension shall initially be borne by the seller, Rosemary Segura-De Thomas. These costs shall include the designing of the water system, the drilling of well, the construction of the distribution lines the installation of pumps, tanks, controls and other equipment, and all administrative, legal and accounting services necessary to establish the well share and render the water system operational. The seller shall not bear the cost of installation of water service lines from the member's water meter to the dwelling of each member. In the case of Lot 1-A-1, the system is already established.

Repair and maintenance Costs. All repair, maintenance and operating costs shall be borne by the property owners of lots 1-A-1, 1-B-1 and 1-B-2 and shall include replacement and repair of equipment or property alterations, and improvements to the water system. These costs shall be derived by the owners from the monthly water charges. All water charges will be deposited to an account established under Lands of De Thomas, LLC. To the extent the reserves are insufficient to pay for necessary repair and maintenance, a special assessment would be shared by the occupying landowners proportionately.

Conservation Standards. Water conservation by the owners is, therefore, necessary and important to the continued viability of the properties. The use of the water is limited as follows: for domestic uses normally associated with a residence. It is incumbent upon each homeowner to follow xeriscape guidelines when doing any landscaping on individual properties. Grass that requires a tremendous amount of water is discouraged and will be reflected in the additional charges that extend above the normal daily water usage. In addition, swimming pools are prohibited. Attached are the monthly charges for water usage. **EXHIBIT B.**

Minimum Water Charge. The rate schedule shall include a "minimum water charge" to be paid by each member, based on usage.

Exception of Declarant and Affiliates from Water Charges until Construction of Residence. Unless and until there is completion of a Single-Family Residential Unit on such Lot, no water charge nor stand-by fee or meter installation fee or any other fee assessed applies to any Lot owned by owner, Rosemary Segura-De Thomas.

Termination of Water. IT IS EXPRESSLY UNDERSTOOD AND AGREED that if any shareholder shall fail or after 30 days written notice by mail of delinquency, the other shareholders shall have the right to cut off the water going to the delinquent shareholder until all delinquencies are cured and such shareholder has paid their share of all assessments and operating costs to date.

Liens. Should anyone of the owners not pay their prorata portion promptly, the remaining owners may employ an attorney to take legal action against the non-payer. All expenses incurred in such a legal action will be at the expense of the non-payer and could result in a lien being filed against the property of the non-payer, which could lead to the loss of the property, if not paid.

Transfer of all Title to the Lot Terminates. When a shareholder is no longer a Lot Owner, then such former Lot Owners share is terminated, and the rights and obligations provided in this Agreement shall run with the land.

Transfer of all Title to the Lot Does Not Terminate Existing or Accrued Obligations. Transfer of an interest as shareholder will not affect or change any existing or accrued obligations, and such new interest holder will not be liable to such new interest holder. However, the shareholder can be prevented by the owners of the well share from receiving service until all fees, charges and assessments incurred for serving the property transferred are brought current.

EASEMENTS, INGRESS AND EGRESS

Easements. Each shareholder shall grant an easement upon his or her property for:

1. Any power lines necessary to serve the well and the pump station;
2. A pump station and storage tank
3. And/or a water distribution system.

Each shareholder agrees that he or she will not fence in any part of property containing the well house or storage facilities needed to be accessed for service. In addition, each shareholder agrees that he or she will not place their drain field nearer than two hundred feet (200') of the well. In locating new wells, water storage facilities, pump houses and distribution lines, the owner, Rosemary Segura-De Thomas, will try to locate such facilities so that they will not interfere with the shareholder's use of his or her property. Care shall be taken in locating wells, and the Shareholders owning property within two hundred feet (200') will be consulted so that the needs of the property owner can be accommodated to the greatest extent possible.

Ingress and Egress. The owners shall have the right of ingress and egress upon any of the shareholder's property to repair and maintain the water system. Extreme care will be taken to restore repairs or perform to as near its prior condition as practicable if it becomes necessary to make repairs or maintenance. Lots 1-A-1 and 1-B-2 are particularly affected.

SHAREHOLDERS/including Rosemary Segura-De Thomas, in consideration of the foregoing, hereby acknowledge by signature that they have been informed of the following facts and circumstances and hereby covenant and agree as follows:

- a. Each Shareholder hereby contract and agree that they will not enter into more than three (3) shareholder agreements or enter into contracts which allow more than three shareholders including themselves for use of the well or of the water from said well. The use of water on property 1-A-1 extends to the guesthouse already located on said property.
- b. Rosemary Segura-De Thomas has reserved an open easement for the purpose of running water lines from the well located on Lot 1-B-2 to Lots 1-A-1 and 1-B-1.
- c. Rosemary Segura-De Thomas makes no representation as to the amount of water contained in said well.
- d. SHAREHOLDERS agree to participate in their proportionate share of well improvements and maintenance including but not limited to any further costs of drilling, casing and pump and well equipment, if any.

- e. Upon use SHAREHOLDERS agree to proportionately reimburse any other shareholder(s) for any monies expended for well improvements and maintenance.

- f. SHAREHOLDERS hereby acknowledge that they have been informed under New Mexico Law the New Mexico State Engineer will only allow a **total** of three acre feet of water to be pumped from such well per year. Three acre feet of water is approximately 978,000 gallons. The average family of five (5) consumes 374 gallons per day – 136,510 gallons per year. The meter readings of the water consumption from the totalizing meter installed on said well will be reported to the District Office of the New Mexico State Engineer on said forms as required by the State Engineers Office. Any excess of 3 acre feet per year may be grounds for automatic cancellation by the State Engineer of the right to appropriate water from said well.

- g. SHAREHOLDERS hereby acknowledge that the New Mexico State Engineer will require a meter be placed upon such well to measure the amount of water that will be pumped therefrom and that by reason thereof a meter will be placed upon each shareholders line to measure his or her consumption and each shareholder shall only be entitled to receive up to 1 acre feet of water per year from the well provided that there are then a total of three users thereon.

- h. Each shareholder acknowledges that his rights under this agreement may be assigned or transferred with the ownership of his property to which water has been furnished,

but that such shareholder may not sell, assign or transfer rights to additional parties to receive water from such property, the maximum number of parties who may receive water from such well being three shareholders.

- i. It is understood and acknowledged by the shareholders that he/she understands that not more than one share or interest in such well is granted to each Lot 1-A-1, Lot 1-B-1 and Lot 1-B-2.
- j. SHAREHOLDER hereby acknowledges and agrees that such water from this well will be used for residential and domestic purposes only.
- k. Each shareholder acknowledges that it will be his/her responsibility to extend the water lines from his property line to his improvements thereon at the shareholders own expense and that only one connection point or metering point will be provided to each shareholder.
- l. Each shareholder hereby acknowledges that Rosemary Segura-De Thomas is not a public utility or domestic water company by reason of this agreement.
- m. Pressure tanks will be provided by the seller to help maintain the pressure use of the system in a proper manner. The cost of any equipment needed in the future will be paid for by the shareholders.

- n. Each shareholder upon use hereby contracts and agrees to pay his pro-rata share of the cost and operation and maintenance and upkeep of such well. The cost per Shareholder shall be based on the amount of water used in a given month.

See Exhibit B.

- o. It is further agreed and understood that the electricity or energy bill for the cost of pumping the water shall also be paid by the shareholders on a pro-rata basis by all users connected to the system. While only 1-A-1 is being metered by current property, the charges for use will be included in the owners current electric bill. When the owner, Rosemary Segura-De Thomas develops Lot 1-B-1 or 1-B-2, she will run a new line from Lot 1-B-2 power source to the system and at that point the energy bill the cost of pumping water will be separated from Lot 1-A-1. Energy bill will be included in the water bill. The initial charge for the energy bill will be \$15/month per household. This may need to be revised if there is excessive use of water by homeowner.
- p. Each shareholder hereby covenants and agrees that he/she will be responsible for repair at his/her own expense for any damages to the distribution system or well or well equipment caused by his/her negligence or actions of his agents or employees or assigns.

IT IS UNDERSTOOD AND AGREED that at such time as there are three shareholders, the shareholders shall elect by majority vote a shareholder secretary who will be responsible for collecting from each shareholder his pro-rata share of all operating expenses and the keeping of the records and books pertaining to the operation of thee well and assessments therefrom.

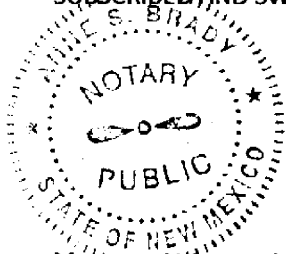
IT IS UNDERSTOOD AND AGREED that if such well shall go dry or have to be replaced this agreement will need to be renegotiated. The shareholders will have the option to end their relationship as a well share and may choose to drill if they are able to get a permit to do so.

It is UNDERSTOOD AND AGREED AND CONTEMPLATED THAT EACH shareholder will be expected and will execute a copy of this well use agreement and subscription agreement prior to receiving water described above.

TIME IS OF THE ESSENCE HEREOF AND THIS AGREEMENT SHALL BE BINDING ON THE PARTIES HERETO,
THEIR HEIRS, SUCCESSORS AND ASSIGNS.

Rosemary Segura De Thomas
Rosemary Segura De Thomas

SUBSCRIBED AND SWORN to before me this 3rd day of May, 2017.



Anne S. Brady
NOTARY PUBLIC

My commission expires:

3/19/18

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2017

NOTARY PUBLIC

My commission expires:

EXHIBIT B

Rate Schedule

Monthly Water Usage	Monthly Charge
<u>Minimum Rate for Basic Service:</u>	
Up to 6,000 gallons	\$40 Base Rate
6,001 to 8,000 gallons	\$7.00 per 1000 gallons
8,001 to 9,000 gallons	\$8.50 per 1000 gallons
9,001 to 15,000 gallons	\$10.00 per 1000 gallons
15,001 to 25,000 gallons	\$20.00 per 1000 gallons
25,001 or more gallons	\$25.00 per 1000 gallons

Once electric meters are added a \$15.00 per month charge will be added for usage. This is a Minimum charge per home.

All amounts over the \$40.00 Base Rate would be considered a Penalty Assessment .

Usage/Monthly Billing Estimates:

6,000 gallons per month	\$40.00 plus tax
8,000 gallons per month	\$54.00 plus tax
10,000 gallons per month	\$72.50 plus tax
11,000 gallons per month	\$82.50 plus tax
12,000 gallons per month	\$92.50 plus tax
15,000 gallons per month	\$122.50 plus tax
20,000 gallons per month	\$222.50 plus tax