

EXHIBIT "B"



GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER KENT L. JONES
Executive Director State Engineer/Division Director

June 29, 2011

ALLARD RANCH WATER COMPANY
C/O BERTA MCGREGOR
P.O. BOX 1503
PAROWAN, UT 84761

Dear Applicant(s):

RE: Water Right Number 75-1734 (A20263aa)

Enclosed is the Certificate of Beneficial Use issued by the State Engineer as the final step in completing the appropriation relating to the above-numbered water right. If this Certificate has been issued pursuant to the reconsideration of a lapsing order or reconsideration of any other issue, it is considered the final action on the granted reconsideration request. If you do not agree with any item of the water right awarded to you by the Certificate, you have rights of recourse as listed in the following paragraph.

If proof of appropriation or permanent change of water was submitted on or after January 1, 1988, this Certificate is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63G-4-302, 63G-4-402, and 73-3-14 of the Utah Code Annotated, 1953, which provide for the filing of either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this letter. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A Court appeal must be filed within 30 days after the date of this letter, or if a Request for Reconsideration has been filed, within 30 days after the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Under the law, you have the right to record this Certificate in the office of the County Recorder in the county where the water is diverted. If you decide to record this Certificate, you should attend to this matter at once.

If you have questions or if we can assist you, we will be happy to do so. Your contact with this office, should you need it, is with the Cedar City Regional Office. The telephone number is 435-586-4231.

Sincerely,

Kent L. Jones, P.E.
State Engineer

CERTIFICATE OF BENEFICIAL USE

STATE OF UTAH

WATER RIGHT No: 75 - 1734 CHANGE APPLICATION No: a36678

WHEREAS, it has been made to appear to the satisfaction of the State Engineer that a permanent change of water has been perfected under the above numbered change application in accordance with the Laws of Utah; THEREFORE, be it known that the State Engineer hereby certifies that the owner of the water right represented by this certificate has the right to the use of the water in the quantity, for the purpose, at the place, and during the time specified herein, subject to prior rights, if any.

ATTENTION: In the event that ownership of the water right evidenced by this certificate is transferred, it is the responsibility of the new owner to update the State Engineer's records by submittal of an appropriate report of conveyance.

1. WATER RIGHT AND OWNERSHIP INFORMATION:

A. NAME: Allard Ranch Water Company
ADDRESS: c/o Berta McGregor
P.O. Box 1503
Parowan, UT 84761

B. RIGHT EVIDENCED BY:
75-1734 (a portion of 75-67)

C. PRIORITY DATE: October 13, 1948 PRIORITY OF CHANGE a36678: July 8, 2010

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 1.0 acre-foot

B. DIRECT SOURCE: Underground Water Well

C. POINT OF DIVERSION -- UNDERGROUND:
(1) N 1,645 feet E 1,099 feet from the SW corner, Section 29, T 34S, R 9W, SLBM
WELL DIAMETER: 8 inches WELL DEPTH: 486 feet

D. COUNTY: Iron

3. WATER USE INFORMATION:

Water Rights Appurtenant to the following use(s):
75-1734,1814,1845

IRRIGATION: from Mar 15 to Oct 31. SOLE SUPPLY: 0.2500 acres of the Group Total of 2.5630

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

| BS TO&N RANG SC | Northwest Quarter | | | | Northeast Quarter | | | | Southwest Quarter | | | | Southeast Quarter | | | | Sector Totals |
|-----------------|-------------------|----|----|----|-------------------|----|----|----|-------------------|----|----|----|-------------------|----|----|--------|---------------|
| | NW | NE | SW | SE | NW | NE | SW | SE | NW | NE | SW | SE | NW | NE | SW | SE | |
| SL 34S 9W 29 | | | X | * | | | | | X | | | | * | | | * | 0.0000 |
| SL 34S 9W 30 | | | | * | | | | | * | | | | * | X | | * | 0.0000 |
| Group Total: | | | | | | | | | | | | | | | | 0.0000 | |

LIMITATION(S) -- Water Right 75 - 1734 is limited to:
 the irrigation requirements of 0.2500 acres,
 an annual diversion for IRRIGATION of 1.0000 acre-foot.

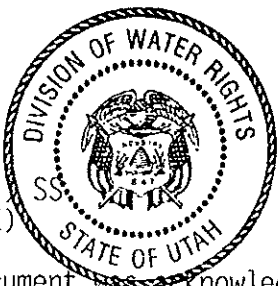
4. SIGNATURE OF STATE ENGINEER & ACKNOWLEDGMENT OF NOTARY PUBLIC:

The right evidenced by this certificate is restricted to the change described herein, and the certificate in no way establishes nor validates the water right claimed by the applicant, and the change is to in no way enlarge the original right or rights. This certificate entitles the holder to use only sufficient water from all rights combined to constitute an economic duty without waste of water. The works used in this change are to be operated and maintained in such a manner and condition as will prevent waste of water.

In Witness Whereof, I have hereunto set my hand and affixed the seal of my office this 29th day of June, 20 11.

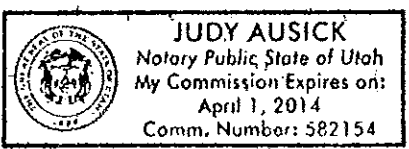
Kent L. Jones

 Kent L. Jones, P.E.
 State Engineer



STATE OF UTAH
 COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 29th day of June, 20 11 KENT L. JONES, P.E., State Engineer of Utah.



Judy Ausick

 Notary Public



GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER KENT L. JONES
Executive Director State Engineer/Division Director

September 8, 2011

ALLARD RANCH WATER COMPANY
P.O. BOX 1503
PAROWAN UT 84761

Dear Applicant(s):

RE: Water Right Number 75-1845 (U3716)

Enclosed is the Certificate of Beneficial Use issued by the State Engineer as the final step in completing the appropriation relating to the above-numbered water right. If this Certificate has been issued pursuant to the reconsideration of a lapsing order or reconsideration of any other issue, it is considered the final action on the granted reconsideration request. If you do not agree with any item of the water right awarded to you by the Certificate, you have rights of recourse as listed in the following paragraph.

If proof of appropriation or permanent change of water was submitted on or after January 1, 1988, this Certificate is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63G-4-302, 63G-4-402, and 73-3-14 of the Utah Code Annotated, 1953, which provide for the filing of either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this letter. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A Court appeal must be filed within 30 days after the date of this letter, or if a Request for Reconsideration has been filed, within 30 days after the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Under the law, you have the right to record this Certificate in the office of the County Recorder in the county where the water is diverted. If you decide to record this Certificate, you should attend to this matter at once.

If you have questions or if we can assist you, we will be happy to do so. Your contact with this office, should you need it, is with the Cedar City Regional Office. The telephone number is 435-586-4231.

Sincerely,

Kent L. Jones, P.E.
State Engineer

CERTIFICATE OF BENEFICIAL USE

STATE OF UTAH

WATER RIGHT No: 75 - 1845 CHANGE APPLICATION No: a37486

WHEREAS, it has been made to appear to the satisfaction of the State Engineer that a permanent change of water has been perfected under the above numbered change application in accordance with the Laws of Utah; THEREFORE, be it known that the State Engineer hereby certifies that the owner of the water right represented by this certificate has the right to the use of the water in the quantity, for the purpose, at the place, and during the time specified herein, subject to prior rights, if any.

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1. WATER RIGHT AND OWNERSHIP INFORMATION:

A. NAME: Allard Ranch Water Company
ADDRESS: P.O. Box 1503
Parowan UT 84761

B. RIGHT EVIDENCED BY:
75-1845 (a portion of 75-144)

C. PRIORITY DATE: 1917 PRIORITY OF CHANGE a37486: June 2, 2011

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 7.0 acre-feet

B. DIRECT SOURCE: Underground Water Well

C. POINT OF DIVERSION -- UNDERGROUND:
(1) N 1,645 feet E 1,099 feet from the SW corner, Section 29, T 34S, R 9W, SLBM
WELL DIAMETER: 8 inches WELL DEPTH: 490 feet

D. COUNTY: Iron

3. WATER USE INFORMATION: (The following data is divided into groups according to uses which have appurtenant supplemental water rights.)

Supplemental Group No. 1. Water Rights Appurtenant to the following use(s):
75-1734,1814,1845

IRRIGATION: from Jan 1 to Dec 31. SOLE SUPPLY: 0.8155 acres of the Group Total of 2.5630

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

| BS TOWN RANG SC | Northwest Quarter | | | | Northeast Quarter | | | | Southwest Quarter | | | | Southeast Quarter | | | | Section Totals | |
|-----------------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|----------------|--------|
| | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | | |
| SL 34S 9W 29 | | | X | | * | | | | | | | | | | | | * | 0.0000 |
| SL 34S 9W 30 | | | | | * | | | | | * | | | | * | X | | * | 0.0000 |
| Group Total: | | | | | | | | | | | | | | | | | 0.0000 | |

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Supplemental Group No. 2. Water Rights Appurtenant to the following use(s):
75-1814,1845

STOCKWATER: from Jan 1 to Dec 31. SOLE SUPPLY: 21.0000 units of the Group Total of 66.0000

DOMESTIC: from Jan 1 to Dec 31. SOLE SUPPLY: 7.0000 families of the Group Total of 22.0000

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

| BS TOWN RANG SC | Northwest Quarter | | | | Northeast Quarter | | | | Southwest Quarter | | | | Southeast Quarter | | | | Section Totals | |
|-----------------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|----------------|--------|
| | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | | |
| SL 34S 9W 29 | | | X | | * | | | | | | | | * | | | | * | 0.0000 |
| SL 34S 9W 30 | | | | | * | | | | | * | | | * | X | | | * | 0.0000 |
| Group Total: | | | | | | | | | | | | | | | | | 0.0000 | |

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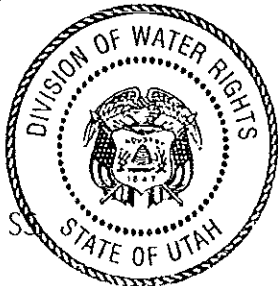
LIMITATION(S) -- Water Right 75 - 1845 is limited to:
the irrigation requirements of 0.8155 acres,
an annual diversion for IRRIGATION of 3.2620 acre-feet,
an annual diversion for STOCKWATERING of 0.5880 acre-foot,
an annual diversion for DOMESTIC purposes of 3.1500 acre-feet.

4. SIGNATURE OF STATE ENGINEER & ACKNOWLEDGMENT OF NOTARY PUBLIC:

The right evidenced by this certificate is restricted to the change described herein, and the certificate in no way establishes nor validates the water right claimed by the applicant, and the change is to in no way enlarge the original right or rights. This certificate entitles the holder to use only sufficient water from all rights combined to constitute an economic duty without waste of water. The works used in this change are to be operated and maintained in such a manner and condition as will prevent waste of water.

In Witness Whereof, I have hereunto set my hand and affixed the seal of my office this

8th day of September, 20 11.

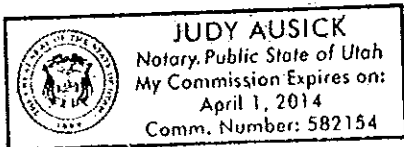


Kent L. Jones
Kent L. Jones, P.E.
State Engineer

STATE OF UTAH)
)
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this

8th day of September, 20 11 KENT L. JONES, P.E., State Engineer of Utah.



Judy Ausick
Notary Public



GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER KENT L. JONES
Executive Director *State Engineer/Division Director*

April 28, 2011

ALLARD RANCH WATER COMPANY
C/O BERTA MCGREGOR
P.O. BOX 1503
PAROWAN, UT 84761

Dear Applicant(s):

RE: Water Right Number 75-1814 (U3716)

Enclosed is the Certificate of Beneficial Use issued by the State Engineer as the final step in completing the appropriation relating to the above-numbered water right. If this Certificate has been issued pursuant to the reconsideration of a lapsing order or reconsideration of any other issue, it is considered the final action on the granted reconsideration request. If you do not agree with any item of the water right awarded to you by the Certificate, you have rights of recourse as listed in the following paragraph.

If proof of appropriation or permanent change of water was submitted on or after January 1, 1988, this Certificate is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63G-4-302, 63G-4-402, and 73-3-14 of the Utah Code Annotated, 1953, which provide for the filing of either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this letter. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A Court appeal must be filed within 30 days after the date of this letter, or if a Request for Reconsideration has been filed, within 30 days after the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Under the law this Certificate must be recorded in the office of the County Recorder in the county where the water is diverted, within thirty (30) days from the receipt hereof. You should attend to this matter at once.

If you have questions or if we can assist you, we will be happy to do so. Your contact with this office, should you need it, is with the Cedar City Regional Office. The telephone number is 435-586-4231.

Sincerely,

Kent L. Jones, P.E.
State Engineer

CERTIFICATE OF BENEFICIAL USE

CONDITIONAL
SEE EXPLANATORY

STATE OF UTAH

WATER RIGHT No: 75 - 1814 CHANGE APPLICATION No: a30933

WHEREAS, it has been made to appear to the satisfaction of the State Engineer that a permanent change of water has been perfected under the above numbered change application in accordance with the Laws of Utah; THEREFORE, be it known that the State Engineer hereby certifies that the owner of the water right represented by this certificate has the right to the use of the water in the quantity, for the purpose, at the place, and during the time specified herein, subject to prior rights, if any.

ATTENTION: In the event that ownership of the water right evidenced by this certificate is transferred, it is the responsibility of the new owner to update the State Engineer's records by submittal of an appropriate report of conveyance.

1. WATER RIGHT AND OWNERSHIP INFORMATION:

A. NAME: Allard Ranch Water Company
ADDRESS: c/o Berta McGregor
P.O. Box 1503
Parowan, UT 84761

B. RIGHT EVIDENCED BY:
75-1814 (a portion of 75-144)

C. PRIORITY DATE: 1917 PRIORITY OF CHANGE a30933: January 6, 2006

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 14.0 acre-feet

B. DIRECT SOURCE: Underground Water Well

C. POINT OF DIVERSION -- UNDERGROUND:
(1) N 1,645 feet E 1,099 feet from the SW corner, Section 29, T 34S, R 9W, SLBM
WELL DIAMETER: 8 inches WELL DEPTH: 490 feet

D. COUNTY: Iron

3. WATER USE INFORMATION: (The following data is divided into groups according to uses which have appurtenant supplemental water rights.)

Supplemental Group No. 1. Water Rights Appurtenant to the following use(s):
75-1734,1814,1845

IRRIGATION: from Mar 15 to Oct 31. SOLE SUPPLY: 1.4975 acres of the Group Total of 2.5630

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

| BS TOWN RANG SEC | Northwest Quarter | | | | Northeast Quarter | | | | Southwest Quarter | | | | Southeast Quarter | | | | Section Totals |
|------------------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|--------|----------------|
| | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | |
| SL 34S 9W 29 | | | X | * | | | | *X | | | | * | | | | * | 0.0000 |
| SL 34S 9W 30 | | | | * | | | | * | | | | * | X | | | * | 0.0000 |
| Group Total: | | | | | | | | | | | | | | | | 0.0000 | |

Supplemental Group No. 2. Water Rights Appurtenant to the following use(s):
75-1814,1845

STOCKWATER: from Jan 1 to Dec 31. SOLE SUPPLY: 45.0000 units of the Group Total of 66.0000

DOMESTIC: from Jan 1 to Dec 31. SOLE SUPPLY: 15.0000 families of the Group Total of 22.0000

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

| BS TOWN RANG SEC | Northwest Quarter | | | | Northeast Quarter | | | | Southwest Quarter | | | | Southeast Quarter | | | | Section Totals |
|------------------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|------|-------------------|----|----|--------|----------------|
| | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | NW | NE | SW | SE * | |
| SL 34S 9W 29 | | | X | * | | | | *X | | | | * | | | | * | 0.0000 |
| SL 34S 9W 30 | | | | * | | | | * | | | | * | X | | | * | 0.0000 |
| Group Total: | | | | | | | | | | | | | | | | 0.0000 | |

LIMITATION(S) -- Water Right 75 - 1814 is limited to:
the irrigation requirements of 1.4975 acres,
an annual diversion for IRRIGATION of 5.9900 acre-feet,
an annual diversion for STOCKWATERING of 1.2600 acre-feet,
an annual diversion for DOMESTIC purposes of 6.7500 acre-feet.

4. EXPLANATORY:

This water right is certificated for the purpose of providing water to the Allard Ranch Subdivision. Information submitted under the proof of beneficial use indicates that, while this subdivision is not fully occupied at this time, a complete system has been constructed to distribute water to the subdivision under this water right. The applicant and proof engineer have stated that the quantity of water and uses described in the proof documents are the amounts required to satisfy final project development.

4. SIGNATURE OF STATE ENGINEER & ACKNOWLEDGMENT OF NOTARY PUBLIC:

The right evidenced by this certificate is restricted to the change described herein, and the certificate in no way establishes nor validates the water right claimed by the applicant, and the change is to in no way enlarge the original right or rights. This certificate entitles the holder to use only sufficient water from all rights combined to constitute an economic duty without waste of water. The works used in this change are to be operated and maintained in such a manner and condition as will prevent waste of water.

In Witness Whereof, I have hereunto set my hand and affixed the seal of my office this

28th day of April, 20 11.



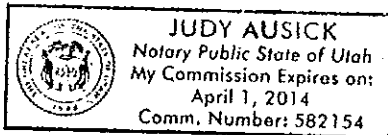
Kent L. Jones
Kent L. Jones, P.E.
State Engineer

STATE OF UTAH

COUNTY OF SALT LAKE

The foregoing instrument was acknowledged before me this

28th day of April, 20 11 KENT L. JONES, P.E., State Engineer of Utah.



Judy Ausick
Notary Public

**ALLARD RANCH WATER COMPANY
AMENDED POLICY OF BILLING AND COLLECTION**

Adopted by the Board of Directors - Effective January 1, 2013

All home sites/lots shall be billed by their Lot Number.

All water meters shall belong to each lot owner and all costs incurred in purchasing and maintaining the same shall be the responsibility of the lot owner. Notwithstanding the same, Allard Ranch Water Company reserves the right to make all repairs to the waterworks from the delivery system to and including the water meter. All waterworks from the water meter to the residence shall be the responsibility of the lot owner. Allard Ranch Water Company reserves the right to terminate water to any lot in accordance with the provisions contained herein or the Rules and Regulations.

All water meters will be of the same basic make and style as set forth herein.

ADOPTED SCHEDULE OF RATES:

| | |
|---|--|
| Basic Monthly Water Rate For Serviceable Lot: | \$40.00/Per Residence |
| per share consisting of: | \$25.00 water residential use \$15.00 general operating expense/standby fees |

Water Usage Based on Basic Monthly Water Rate for Serviceable Lot:

| | |
|-------------------------------|----------------------------------|
| April 1 through September 30: | maximum 42,316 gallons per month |
|-------------------------------|----------------------------------|

Meters will be read and billed quarterly according to actual usage, with a minimum assessment according to the basic monthly rate as set forth herein.

| | |
|-----------------------------|----------------------------------|
| October 1 through March 31: | maximum 12,000 gallons per month |
|-----------------------------|----------------------------------|

Meters will be read quarterly and billed in advance, with a minimum assessment according to the basic monthly rate as set forth herein. Any overage of use for the winter months shall be billed in the April 1st, billing.

| | |
|------------------|--|
| Overage Charges: | \$1.25 per 1,000 gallons over allotted use for up to 30,000 gallons per quarter |
| | \$2.45 per 1,000 gallons over allotted use exceeding 30,000 gallons per quarter. |

INVOICING:

Bills covering the use of water will be rendered every quarter on the first week of the respective billing period and shall be due 30 days after billing. A late fee of \$10.00 will be charged if payment is not received by thirty (30) days of the billing invoice. A late fee of \$20.00 will be added after the sixtieth (60) day of delinquency.

When any property becomes delinquent in payment of the water billing for two (2) consecutive quarters, the resident will be notified by being given a ten (10) day written notice that the water will be turned off at the water meter. In addition to the ten (10) day notice, a (48) hour notice will be posted on the property of the delinquent Owner prior to turn off. If the bill remains unpaid, the water will be turned off. If a lot owner is to be absent for any extended period of time, payment of the water fees may be made in advance.

A turn-on fee of \$50.00 will be charged to all properties that have had water turned off as a result of delinquent payment once the account is brought current. Company reserves the right to require a deposit at the time of turn-on if usage was terminated due to unpaid payments.

UNBUILT/UNIMPROVED LOTS:

It will be the policy of the Allard Ranch Water Company to bill each unbuilt lot owner that portion of the basic charge which is for general operating expenses (also referred to as standby fees), which is beneficial to all lot owners exclusive of actual water use. These fees include fire protection, costs and ongoing maintenance of the water works system.

Invoices for these charges will be rendered quarterly. Based on current rates, the annual bill will be \$480.00 for full service and \$180.00 for stand-by service. The invoices will be due within thirty (30) days of issuance. Any unpaid invoices can result in a lien being filed against the property, in addition to discontinuance of water service.

WATER CONNECTION FEES:

The charge or connection fee for a lot owner to connect to the Allard Ranch Water Company water system is \$2,500, which is due and payable upon approval of architectural plans and prior to construction.

The right is reserved by the Allard Ranch Water Company to amend or add to these policies as such charges are approved by the Allard Ranch Water Company Board of Directors. No fees shall be utilized for personal purpose. All fees shall be used for the benefit of the Company and its members.

WATER METER:

The lot owner shall use the water meter identified in Exhibit A. No other water meter shall be

used without the express consent of the Company's Board of Directors. It is vital for the benefit of all lot owners that the system remain consistent and universal for ease of maintenance of the system.

RULES AND REGULATIONS:

The Company shall be regulated by an adopted set of Rules and Regulations. These Rules and Regulations shall govern the specifications and standards under which the Water Company and the lot owners shall operated. The Rules and Regulations are attached as Exhibit B.

SCHEDULE OF RATES, RULES AND REGULATIONS

Issued:
By:

Effective January 1, 2013

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Issued:
By:

Effective January 1, 2013

WATER SERVICE RATE SCHEDULE

Applicability

This water schedule is applicable to the entire service area of Allard Ranch Water Company, ("Company") for the purposes of providing water service for culinary purposes at one point of delivery for each lot.

Rates as herein set forth shall apply to each consumer unit. A consumer unit is defined as a single unit dwelling, establishment or concern that might apply for culinary water service for domestic purposes.

The following rate is for a period of twelve (12) month(s).

| <u>Usage</u> | <u>Charges</u> |
|--|--|
| First 42,316 gallons for April 1 - September 30 | \$40.00 monthly minimum charge for each service connection |
| First 12,000 gallons for October 1-March 31 | |
| Over charges for every 1,000 gallons | \$1.25 per 1,000 gallons over allotted use for up to 30,000 gallons per quarter |
| | \$2.45 per 1,000 gallons over allotted use exceeding 30,000 gallons per quarter. |
| Standby Fee/General Operating Expense | \$180.00 per lot/per year |

Premises temporarily without meters will be charged the minimum rate/Standby Fee.

Service Connection Charges

| | |
|--|------------|
| 1" Service to Property Line One-time charge for each service requiring new meter installation (This does not include lot owners cost for installing the waterline and fire hydrant on each lot commencing at the right-of-way | \$2,500.00 |
|--|------------|

Issued:
By:

Effective January 1, 2013

line to the fire hydrant and water meter.)

Turn-on service where meter is already in place. \$50.00

RULES AND REGULATIONS

1. Connections: No unauthorized person shall tap any water main or distribution pipe of the Company or insert therein any corporation cock, stop cock or any other fixture or appliance; or alter or disturb any service pipe, corporation stop, curb stop, gate valve, hydrant, water meter or any other part of the waterworks system or attachment thereto. No person shall, without first obtaining a permit from the Company, connect or disconnect any service pipe to or from the mains or distribution pipes of said waterworks system nor to or from any other service pipe now or hereafter connected with said system; nor make any repairs to, additions to, or alterations of any such service pipe, tap, stop cock, or any other fixture or attachment connected with any such service pipe.

2. Application for Permit: A permit shall be obtained from the Company before any service connection can be made to any part of the waterworks system or before any water work can be performed upon old or new connections. Such permit shall be issued upon written application on forms obtainable from the company. Applicants for water service shall furnish, lay, and install, at their own expense, all that portion of the service not provided by the Company, subject however, to the supervision and inspection of the Company.

3. Metering of Service: All water delivered by the Company to its customers shall be metered through water meters. Meters may be checked, inspected, or adjusted at the discretion of the Company, and shall not be opened or adjusted except by authorized representatives of the Company. Only authorized representatives of the Company shall open meter boxes to turn on or off water except in case of emergency or when special permission is given by the Company.

4. Meter Adjustments: If the meter fails to register at any time, the water delivered during such a period shall be billed at the minimum rate. In the event a meter is found to be recording at less than 97 percent or more than 103 percent of actual, the Company may make such adjustments in the customer's previous bill as are just and fair under the circumstances.

5. Service Connections: Any party desiring to obtain a supply of water from the Company shall make application in writing. The service connection charges shown in this tariff, in the amount of \$2,500.00, include maintenance, engineering inspection fees, standby-maintenance fees and establishment fees. The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain the property thereof. All funds shall be retained for the benefit of the shareholders to insure financial stability of system.

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Effective January 1, 2013

6. Service Line: All service line materials and installation shall be provided by the applicant. Installation shall be inspected and approved by the Company before the service line trench is back filled. The applicant shall provide a shut-off valve on each service line in an accessible location separate from the water meter box.

7. Water Use Restriction: The owner or occupant of any building or premises entitled to the use of water from the Company shall not supply water to any other building or premises without written permission of the Company.

8. Service Turn-on and Turn-off: Only authorized representatives of the Company shall turn on or off water at the meter box except in case of emergency or when special permission is granted by the Company. Service may be turned off by the Company when so requested by the applicant or when the applicant fails to abide by these regulations. Whenever the water is turned off at any premises, it shall be turned on again only upon payment in full of the applicable charge shown in the rate schedule.

9. Disruption Liability: The Company shall use reasonable diligence to provide continuous water service to its customers, and shall make a reasonable effort to furnish them with a clean, pure supply of water, but the Company shall not be held liable for damages to any water user by reason of any stoppage or interruption of the water supply caused by scarcity of water; accidents to works; water main alterations, additions or repairs; acts of God or other unavoidable causes.

10. Damage to Facilities: Costs of any damage resulting from the failure of the owner, agent or tenant to properly protect the water meter or other facilities of the Company or owner which is installed upon premises supplied with water shall be assessed against such owner, agent or tenant. Water consumers shall not tamper with or remove the meter, or interfere with the reading thereof.

11.a. Reading of Meters: All meters shall be read by the Company as early in the spring and as late in the fall as shall be practicable, and during the period in between. The charges for the period between the last meter reading in the fall and the first meter reading in the spring shall be estimated based upon previous consumption and shall be adjusted on the bill for the first meter reading in the spring. The charges during the remaining billing periods shall be based upon meter readings, except as provided for in paragraph 4 herein above.

11.b. Reading of Meters: All meters shall be read by the Company and charges shall be based upon meter readings except as provided for in paragraph 4 herein above.

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12. Billing and Payments: Bills covering charges shall be rendered quarterly and shall be due twenty (30) days from the date the current bill was prepared. If a bill becomes delinquent, the Company, after following the procedures required in Public Service Commission Rule "R746-200-6 Termination", including the delivery of notices at least 10 days and at least 48 ours prior to the proposed termination, shall have the right to go upon the premises, post a notice of intent to turn off water, and do such work as may be necessary to prepare to disconnect the water service. Before service is restored to the customer whose bill has become delinquent, the delinquent bill or bills shall be paid in full, or payment arrangements satisfactory to the Company shall be made and the established tariff charge for reconnection shall be paid.

13. Discontinuance of Service: Any customer wishing to discontinue service shall notify the Company so that the meter can be read for a final billing. Such final billing shall be due and payable upon receipt.

14. Regulated Usage: Whenever the Company shall determine that the amount of water available to its distribution system has diminished to such a volume that, unless restricted, the public health, safety and general welfare is likely to be endangered, it may prescribe rules and regulations to conserve the water supply during such emergency. Such rules and regulations may include, but shall not be limited to, the restriction to certain hours (or total prohibition) of the use of water for outdoor watering.

15. Changes and Amendments: The right is reserved to amend or add to these Rules and Regulations as experience may show it to be necessary and as such amendments or additions are approved by the Public Service Commission of Utah.

16. Credit Deposit: The Company does not intend to require a deposit. However, if necessary, the Company may at its option, and in lieu of established credit, require a deposit from the customer to assure payment of bills; such deposits shall be a minimum of ninety (90) days' estimated bill or \$120.00. This deposit may be refunded when credit has been established. Deposits held over twelve (12) months shall earn interest from the Company at the rate of 3% per annum, beginning with the first day of deposit. Interest will be credited to the customer's account.

FACILITY EXTENSION POLICY

Definition: An extension is any continuation of, or branch from, the nearest available existing line of the Company, including any increase of capacity of an existing line to meet the customer's requirements.

1. Costs: The total cost of extensions including engineering, labor, and materials, shall be paid by the applicants. Where more than one applicant is involved in an extension, the costs

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shall be pro-rated on the basis of the street frontage distances involved or upon such other basis as may be mutually agreed by the applicants. Sufficient valves and fire hydrants must be included with every installation.

2. Construction Standards: Minimum standards of the Company shall be met, which standards shall also comply with the standards of the Utah State Bureau of Environmental Health. Pipe sizes shall be designated by the Company, but the size shall never be smaller than 4" (four inches) in diameter. The pipeline shall be installed only along dedicated streets and highways .

3. Water Storage and Supply: All costs for providing increased water supply and storage shall be paid by the Company. This cost shall include the installation and operation of pumps as required for proper pressure regulation of the system.

4. Ownership: Completed facilities shall be owned, operated, and maintained by the Company, in the public right-of-way, as detailed in the Tariff Rules and Regulations.

5. Temporary Service: The customer will pay the total cost for the installation and removal of any extension for service to a venture of a temporary or speculative nature. Such costs will be estimated and paid before work is begun on the extension.

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By:

Effective January 1, 2013

**AMENDMENT TO BYLAWS
OF
ALLARD RANCH WATER COMPANY**

THIS AMENDMENT TO BYLAWS having come on before a Special Meeting called by the Board of Directors on this 8th day of February, 2011, and all Board of Directors being present, and having duly noted the purpose of the meeting as follows:

WHEREAS Allard Ranch Water Company is a non-profit water company organized for the purpose of providing water services to members of the Allard Ranch Property Owners Association;

WHEREAS Allard Ranch Water Company has employed the services of Platt & Platt, Inc. for the purpose of completing mandatory proof work on Water Right Nos. 75-1845, 75-1814 and 75-1734;

WHEREAS the Utah State Engineer for the Division of Water Rights requires specific verbiage in the Bylaws of a water company as a condition precedent to accepting the proof applications submitted by any engineer;

WHEREAS it is necessary to amend the Bylaws of Allard Ranch Water Company for the purpose of providing additional language and monitoring of water allocated by Allard Ranch Water Company on a yearly basis; and

WHEREAS Article IX of the Bylaws provides for the Bylaws to be amended by a majority vote of the Board of Directors.

NOW, THEREFORE, IT IS HEREBY RESOLVED pursuant to authority granted to the Board of Directors under the Bylaws of the Allard Ranch Water Company, Article IX, the Bylaws are hereby augmented as follows:

Article XI. Reporting of Water Distribution

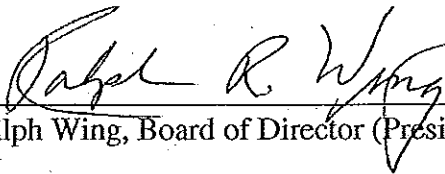
Section 1. Monitoring of Water. Allard Ranch Water Company shall install and maintain an accurate water metering device for the purpose of monitoring and recording water usage and water distribution to members of the Allard Ranch Property Owners Association.

Section 2. Reporting Water Usage. The Allard Ranch Water Company shall submit, by report, accurate measurements of water usage in a form acceptable to the Utah State Division of Water Rights at the end of each calendar year, said record to be measured from January 1st through December 31st of each year. All water usage shall be in accordance with State of Utah requirements and within the limits allotted for water usage owned or leased by Allard Ranch Water Company.

Passed and approved by the Allard Ranch Water Company Board of directors on this

8th day of February, 2011.

This Amendment shall take effect and be in force immediately upon execution of this Amendment.



Ralph Wing, Board of Director (President)

| Voting: | Aye | Nay | Abstain |
|---------|-----|-----|---------|
|---------|-----|-----|---------|

| | | | |
|---------------------------|-------------------------------------|-------|-------|
| Ralph Wing <i>REW</i> | <input checked="" type="checkbox"/> | _____ | _____ |
| Berta MacGregor <i>BM</i> | <input checked="" type="checkbox"/> | _____ | _____ |
| Jim Jense <i>JJ</i> | <input checked="" type="checkbox"/> | _____ | _____ |

Attested by:



Berta MacGregor, Secretary

PLATT & PLATT, INC.
CONSULTING ENGINEERS & SURVEYORS
195 North 100 East, P.O. Box 398
CEDAR CITY, UTAH 84721-0398
Telephone (435)586-6151
Fax (435)586-8567

ROBERT B. PLATT, P.E. & P.L.S.
DAVID M. CLARKE, P.L.S.

December 21, 2010

ALLARD RANCH WATER COMPANY
c/o Berta McGregor
P.O. Box 1503
Parowan, UT 84761

RE: Proofs of Beneficial Use of Water for Allard
Ranch Water Company, Water Right No.
75-1814 (a23925), 14 AF,
75-1845 (a26068), 7 AF,
75-1734 (a36678), 1 AF.

Dear Ms. McGregor:

I am in the process of completing some proof work on Water Right No. 75-1845 for the Allard Ranch Water Company. This proof was originally submitted to the State Engineer's office on February 27, 2004 and the comment letter was received from Clark Adams of the State Engineer's office on December 19, 2005. There were a few issues that needed to be addressed at that time to complete the proof.

In recent discussions with Clark, I proposed the possibility of submitting the completed proof but also to include the proofs for 75-1845 and 75-1734 as part of the submittal. They can all be done under the State's Subdivision Proof Policy and one map can cover all 3 water rights. A proof form would need to be submitted for each water right, however.

Therefore, I would propose that we submit all three proofs at this time, which would cover a total of 22 Acre Feet, with the following uses:

22 Domestic Uses @ 0.45 AF each,
total of 9.9 AF

66 livestock (cattle or equivalent),
3 per lot, @ 0.028 AF/ELU,
total of 1.848 AF

Legally qualified to offer our professional services in Arizona, Nevada, and Utah

Page 2
Allard Ranch Water Company
c/o Berta McGregor
December 21, 2010

The remaining to be for irrigation, i.e.;

$$22 \text{ AF} - 9.9 \text{ AF} - 1.848 \text{ AF} = 10.252 \text{ AF}$$
$$10.252 \text{ AF} / 4 = 2.563 \text{ acres of irrigation}$$
$$2.563 / 22 = 0.1165 \text{ acre of irrigation/lot,}$$

or approximately 5075 sq. ft/lot

However, please understand that the only water usage that is monitored is the total amount of water used per year. The State Engineer will not police the amount of irrigated area, the number of livestock, etc., and if the total useage per year is under 22 AF then no compliance questions would come up. I doubt this will ever become an issue.

As part of the proof I previously submitted I provided a copy of the Articles of Incorporation for the Allard Ranch Water Company. The bylaws need to state that the Allard Ranch Water Company will maintain accurate measurements and records of water usage and will submit said records of use to the Division of Water Rights at the end of each calendar year. I believe an amendment to the bylaws needs to be passed by the board of the water company that will bind the company to keep and submit these records to the Division of Water Rights on a yearly basis. I need your help with this. Can you see to it that the board can adopt a bylaw to cover this matter?

I believe that proceeding in this manner is the cleanest and best way to go for all concerned. Please call me at your earliest convenience regarding this. I will look forward to hearing from you.

Respectfully,



Robert B. Platt, P.E. & P.L.S.
Civil Engineer & Land Surveyor

pc: Clark Adams, Division of Water Rights,
Cedar City Office