

EXHIBIT "E"

APPLICATION FOR WATER SERVICE

Application is hereby made by the undersigned to Deepwater Distribution Company for water service at

Application is for _____ New Service, _____ Change of ownership.
Stock Certificate # _____ Number of class B shares _____

Shareholder agrees:

1. To pay (when applicable):

i.	Connection Fee.	\$ _____
ii.	Refundable Inspection Deposit.	\$ _____
iii.	Conversion Fee.	\$ _____
iv.	Transfer Fee.	\$ _____
v.	Lateral Assembly Charge.	\$ _____
vi.	Other (_____)	\$ _____

2. To pay all annual stock assessments when the same shall be due, in the amount lawfully determined by the Board of Directors from time to time.

3. To abide by and obey all lawful rules and regulations and bylaws of the company now or hereafter adopted by the Board of Directors. To have water service, to the structure identified above, discontinued in the event shareholder uses more water than the amount allocated to him by virtue of his shareholder interest in the company as determined by the company or by failure to pay all service fees and assessments as they come due, and to have service resumed upon payment of fee for the resumption of service.

4. To pay all costs, including attorney's fees, incurred by the company through its efforts to collect any delinquent stock assessments or to enforce this agreement or any of the lawful rules and regulations of the company.

5. Shareholder shall not serve nor allow to be served more than 0.45 acre feet from the water connection provided for herein without the prior written approval of the company.

6. Shareholder shall not obstruct in any way the ability of authorized company personnel to gain access to water meter, remote readout, and curb stop boxes for periodic reading, maintenance and inspection. The cost of removing any such obstructions may be charged to the shareholder.

7. Shareholder acknowledges that the water meter and all meter gauges are the property of the water company, and that shareholder will be subject to any and all legal penalties pertaining thereto for tampering with or otherwise obstructing or interfering with the normal operation and maintenance of the water meter.

8. Shareholder acknowledges receipt of Application for New Connection, Water Rights Assessment Information and the other instructions included in the connection packet, and has read and understands the information contained therein.

9. This application will be effective upon written acceptance by the company.

Dated this _____ day of _____, _____.

Accepted:

By: _____

Its: _____

Applicant _____

Mailing Address _____

Telephone _____

Signature _____

Signature _____

CONNECTION PROCEDURES

1. Prior to or at the same time as the issuance of the water letter, the owner/contractor, or his representative, must bring a set of plans to the office.
2. One of the DDC operators will meet with the owner/contractor or his representative to review the water laterals and equipment that will supply water to the home.
3. They will mutually determine, with regard to the specifications of the water company, where the curb stop box will be located, where the lateral will enter the home, the location of the curb valve, meter, backflow preventer(s), transponder (if any) , and any other pertinent details. These details will be marked on the plan and the plan will be stamped and signed by the DDC operator. The DDC operator will also make copies of that portion of the plans which detail the location of all the water devices and attach these copies to the inspection sheet for reference during the inspection process.
4. They will also review the connection packet, and using a checklist, will discuss all details of the process, including inspections, specifications, deposits, irrigation, protection of the curb stop box, etc.
5. Upon completion of the review, the connection packet, with the inspection record completely filled out, and the checklist signed by both the DDC operator and the owner/contractor or his representative, will be given to _____ and he/she will complete the process of issuing the water letter.
6. The owner/ contractor will make an additional contact with the DDC operator once the foundation is going in. This will be an opportunity to once again review the location of all the water appurtenances before the lateral comes in to the property.
7. The DDC operator will take pictures, as appropriate, of the lateral connection and bedding, lateral depth and location, lateral passing under or through the foundation, and installation of curb valve, meter and backflow preventer(s).

DEEPWATER DISTRIBUTION COMPANY -- ASSESSMENTS & FEES

A. Connection Fees.

\$1,000.00 plus \$500.00 refundable deposit
Plus **Lateral Assembly Charge** provided by DDC at cost to shareholder.

B. Assessments by class:

-Class A

Not assessable except for special assessments.

-Class B Inactive (Standby Fee)

\$75.00 per quarter, plus special assessments.

-Class B Active

to be determined upon the actual operation and maintenance costs (O&M).

-Class C

\$75.00 per quarter.

C. Conversion Fee (if applicable).

Conversion of Class A shares to Class B shares will be charged \$150.00 per acre foot or portion thereof.

D. Stock Transfer Fee.

Any transfer of a stock certificate will be charged a \$50.00 administrative fee.

E. Late Fee.

Any assessment or fee not paid in a timely manner as specified in the billing will be charged a \$15.00 late fee and 1% of the unpaid balance per month.

CHECKLIST FOR CONNECTIONS
DEEPWATER DISTRIBUTION COMPANY, INC, INC

_____ Pull the file for the lot in question to determine ownership. Only the owner or his representative may request a water letter. If change of ownership is in progress, the current owner must give permission for the letter to be issued. (If ownership issues are not clear, do not proceed.)

_____ Is plan approval by the county complete so the building permit can be issued within the next seven days? (If the county has not approved the plans, do not proceed.)

_____ Fill out the Construction Inspection Record.

_____ Review the Instructions for Installation of Water Equipment and the specifications for that equipment and the specification diagrams.

_____ Locate and approve on the plans where the curb valve, meter, backflow preventer(s), and transponder (if any) will be located. If applicable, protect the wire from the meter to the transponder by encasing in conduit.

_____ The contractor must call for inspections. Potential consequences if they do not, including loss of inspection deposit and/or expensive retrofitting.

_____ If any, irrigation requirements (where to tee from the incoming line and the need for backflow protection).

_____ Lateral and meter size and the effects it may have on the future homeowners.

_____ If any, fire suppression and information on our specifications and requirements.

_____ Protection and accessibility of the curb stop box, the fire hydrant, and any hydrant valves or system valves that exist on the property. Protection and accessibility are the responsibility of the owner/contractor throughout construction, throughout the landscaping process (if any), and ongoing.

_____ Provide a copy of our connection packet and all appropriate drawings and specifications.

_____ Offer our assistance throughout the construction process.

_____ Any changes to the county approved prints that would require a change in the location of water appurtenances must be reviewed and approved by Deepwater.

I hereby recognize that we have thoroughly discussed the requirements as specified above and I understand my responsibilities.

Owner/Contractor/Representative Date

Deepwater Operator Date

To:
Deepwater Distribution Company, Inc
P.O. Box 2443
Park City, Utah 84060

RE: **Water Stock Transfer Request**

To Whom It May Concern:

I/we, _____ am/are the current owner(s) of
_____ () share(s) of Class "A" stock in
Deepwater Distribution Company, Inc. The certificate for this share is dated _____ and is
numbered _____. Said share(s) is/are enclosed and properly endorsed on the back of the
share(s). For valuable consideration received, please issue a new certificate(s) in the name of or
names of _____ for
date: _____, 200 ; and issue a new certificate to me for the balance, if any.
I/we hereby recognize that by signing this letter and authorizing the issue of a new certificate to
the new owner as specified above that I/we relinquish all rights of ownership to said share(s).

Transfer authorized by:

Name _____

Address _____

Telephone _____

Signature _____

Its _____

Dated _____

Rec'd by Deepwater Distribution Company, Inc.

By: _____ Its: _____ Date: _____

APPLICATION FOR NEW CONNECTION
DEEPWATER DISTRIBUTION COMPANY

1. **Water Service Letter.** To help shareholders receive a building permit from Wasatch County, Deepwater Distribution Company ("DDC") will issue a letter to the Wasatch County Building Department specifying DDC's intent and ability to deliver water service to any residential or commercial project. The following is required before DDC can issue the letter.

- a. **Water Certificate.** DDC may request a valid water certificate, or other acceptable evidence, showing your ownership of water shares attached to your building lot.
- b. **Fees.** On the date of issuance of the above letter, the project owner or his representative is required to pay the following fees, as applicable, at the then current fee level.
 - i. **Connection Fee.** This fee pays for equipment and inspections and also contributes to the DDC contingency fund.
 - ii. **Refundable Inspection Deposit.** This deposit insures that the owner or contractor calls for inspections and that all work is done to DDC specifications.
 - iii. **Conversion Fee.** When water shares are converted from Class A to Class B, this fee is required to reimburse DDC the assessments already paid on the underlying water rights, if any.
 - iv. **Transfer Fee.** Whenever Class B water shares change ownership, this administrative fee is charged to Buyer.
 - v. **Lateral Assembly Charge.** The cost of the backflow assembly, curb valve, and water meter that is installed on the lateral connection.
- c. **Application for Water Service.** This application must be completed and signed by the owner of the water share. It specifies the water shares purchased, fees paid, and a commitment to pay all assessments and abide by the rules and regulations of the water company.

2. **Quarterly Assessments.** Quarterly assessments for water service at the connected rate will begin on the same date as the issuance of the water service letter. This assessment represents maintenance of your water rights, and the general operation and maintenance of the water system. It is very likely that you will receive your first assessment before actually using any water.

3. **Equipment.** The water company will provide, as part of the Connection Fee (and **Lateral Assembly Charge**), a curb stop box for access to the curb stop (shut off valve), a meter with an electronic readout, and a backflow preventer(s). The owner and/or contractor is responsible to install this equipment.

4. **Inspections.** Call for these inspections at 435 640 7111. Please allow 72 hours notice. Failure to call may result in the loss of your refundable deposits and/or require that you redo the work to comply with DDC specifications.

- a. **Tap to Main Water Line.** This is required in some areas in the system where laterals from the water main to the property do not exist or in the occasional instance where the lateral cannot be found. It is the responsibility of the contractor to tap the main water line. DDC will assist in locating the main and must be present and inspect when the tap occurs. Failure to involve DDC in this process could result in severe damage to the water

system and to public and private property and result in the imposition of heavy liability costs on the owner/ contractor.

b. **Lateral Inspection.** This is required at the time the contractor connects to the service lateral.

- i. The water supply line from the curb stop to the house is the property and responsibility of the owner. It should be of blue poly with a 200 psi rating. A tracer wire must be installed with the blue poly line and stiffeners/inserts should be used at connecting points.
- ii. Bury depth is required to be a minimum of 7 feet of cover.
- iii. Bedding. The service lateral should be bedded with small size gravel.
- iv. Sewer lines should not be run in the same trench. There should be a 10 foot horizontal separation and an 18 inch vertical separation with the water being above the sewer.
- v. The curb stop box can be telescoped approximately 15 inches and should be installed so as to approximate finish grade.
- vi. It is the responsibility of the owner/contractor to physically protect the curb stop box and maintain a positive location so it can be found in the event it is damaged, buried, or covered with earth, construction materials, or snow. Those who fail to do so, and require the assistance of the water company to locate a lost or damaged curb stop, will be charged time and materials.

c. **Final Inspection.** DDC must inspect the backflow preventer(s) and the curb stop box when the home is essentially complete and prior to occupancy. If the work necessary for final inspection is not done in a timely manner, or if the owner/contractor does not call for the final inspection prior to occupancy, DDC will have the option to have the work completed and all of the security deposit will be forfeited .

5. **Refund of Deposit.** The final inspection of the homeowner water system must be completed and approved by DDC and any applicable charges must be paid before the deposit is refunded.

- a. If a change of ownership occurs between the final inspection and the irrigation inspection, the water company will release the deposit to the original owner only if a new deposit has been collected from the new owner.
- b. As an alternative, the original owner can collect the inspection deposit from the new owner and send DDC a letter relinquishing his original deposit so it can be returned to the new owner after the appropriate inspection.
- c. All refunds are made to the party who paid the deposit.

6. **Water Use.** Residential water shares on the system are usually designated as 0.45 acre feet for single family culinary indoor use only.

- a. Overuse of water shares is billed with the 2nd quarter assessment on November 1st.
 - i. Overuse can be very expensive because of the punitive rate schedule designed to encourage conservation.

- ii. Frequently, overuse can be traced to leaks. Shareholder monitoring of the water meter is important to discover leaks as soon as possible.

7. **Assessments.** Water assessments are billed quarterly and are based on the water share owned. In the event of excessive water use as measured by the meter, the overuse will be added to the 3rd quarter assessment.

Applicant

Date

Deepwater Distribution Company, Inc

Date

Deepwater Distribution Co., Inc

Annual Shareholder Meeting

October 18, 2008, 2:00pm

At the home of Drs. Robert and Tanya Powel: 5304 N Grandview Rd, Brighton Estates,
Midway, Utah 84049

Agenda:

1. Roll Call of voting shareholders (Class A & B)- Sean
2. Proof of Notice of Meeting or Waiver of Notice- Sean
3. Reading of Minutes of Preceding Annual Meeting- Brad
4. Reports of Officers: Pres., Progress of Public Water System approval;
Treasurer, Treasurer's report.
5. Reports of Committees: none
6. Election of Directors (as required): Powel's term expires
7. Unfinished Business: none that hasn't been covered above.
8. New (other) Business:
9. Adjourn

* This was also use
for "proof of notice"
mailing on 9/14/08.

Deepwater Distribution Company. General Meeting 10/13/200

	<u>CLASS</u>
Sean Brown	A+B
Robbie Powell	A+B
Bridget Brown (book-keeper)	←
Kevin H. H. H.	
Peter Olson	C
Nate Flint	C
John Files (Geohydrologist)	<u>C</u>
Charles Salzman	A A
Bob Mitchell (on behalf of Frank Nustanski + Chris Lane)	C
Lynda Fosburg	C
Brad Lewis	A
Harry Reed	C

Deepwater Distribution Co. Inc, Annual Shareholders'
Meeting. Oct. 18th. 2008

1. Roll Call- Sean.

All voting shareholders present, Robbie, Sean, Charles, and Brad calling in. John Files, our geohydrologist and Bridget Brown, our bookkeeper, was present. There were also several (non-voting) class C shareholders.

2. Proof of Notice of Meeting or Waiver of Notice- Sean.

Proof of notice of this meeting was accomplished within the required time period via US mail.

3. Reading of Minutes of Preceding Annual Meeting- Sean.

4. Reports of Officers: Pres., Progress of Public Water System approval; Treasurer, Treasurer's report.

Sean explained that Deepwater Distribution Company has contracted with John Files, and got the PER a few days ago. Also that DDC has contracted with Kay Ryan to be our water system engineer. DDC will let the system grow as needs dictate. DDC should have the master plan submitted to the state soon. It looks encouraging. Sean explained that there will be a question and answer period after the official meeting.

John Files spoke about his part in it all, and his thoughts on this system moving forward.

Treasurer's report: Robbie. He explained the details of the money that has come in and how it has been spent. Sean explained that due to the creation of House bill 51, it became prudent to we create C class stock, and then talked about where most of the money was spent that came in from the C class shareholders, as well as A and B shareholders.

5. Reports of Committees: none
6. Election of Directors (as required): Powel's term