

RULES AND REGULATIONS
FOR
WATER AND SEWER SERVICE
FOR
OLD KINDERHOOK

DATED: May 27, 1998

THESE RULES AND REGULATIONS HAVE BEEN ADOPTED BY OLD KINDERHOOK COMMUNITY ASSOCIATION, INC. THE COMMUNITY ASSOCIATION RESERVES THE RIGHT TO ADD TO OR MODIFY THESE GUIDELINES AT ITS DISCRETION. PLEASE CONTACT THE COMMUNITY ASSOCIATION TO BE CERTAIN YOU HAVE THE LATEST EDITION.

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ARTICLE I.
GENERAL - EXPLANATORY MATERIAL

1.1. Authority. These Rules and Regulations for Water and Sewer Service for Old Kinderhook ("Water and Sewer Rules") are adopted by the Board of Directors of the Old Kinderhook Community Association, Inc., under the powers granted to the Community Association in its governing documents, including the Declaration of Protective Covenants, Conditions and Restrictions for Old Kinderhook, as amended, recorded in the Office of the Recorder of Deeds of Camden County, Missouri (the "Community Declaration"). These Water and Sewer Rules are deemed necessary by the Board of Directors for the implementation of the Community Declaration and the operation of the Community Association.

1.2. Policy and Purpose. The purpose of these Water and Sewer Rules is to provide for the procedures for the financing, control, management and operation of the water supply and distribution system and the sewer collection and disposal system of the Community Association, including additions, extensions and connections.

1.3. Binding Effect. By having accepted water or sewer service from the Community Association, every Owner and Related User is deemed to have consented to and accepted these Rules and Regulations.

1.4. Ownership. The Community Association exercises the responsibility of full ownership of the existing Community System and, in the future, shall accept ownership responsibilities for only those additional facilities which have been formally conveyed to and accepted by the Community Association as a part of the Community System in accordance with these Rules and Regulations.

1.5. Operation and Maintenance. The Community Association operates, maintains, repairs and replaces the Community System. Each Owner installs, operates, maintains, repairs and replaces Service Lines servicing its Lot. The Community Association is not obligated to effect or make any repairs or replacements to or otherwise maintain any Service Lines.

ARTICLE II.
DEFINITIONS

Unless otherwise expressly provided herein, the capitalized terms in these Water and Sewer Rules shall have the same meaning as the capitalized terms in the Community Declaration. The following words and phrases, when used in these Water and Sewer Rules, shall have the meanings specified below:

2.1. Board and Board of Directors shall mean the governing body of the Old Kinderhook Community Association, Inc.

2.2. Community Association shall mean the Old Kinderhook Community Association, Inc., a Missouri not-for-profit corporation.

2.3. Community Association Engineer shall mean a licensed engineer who is contracted to do engineering work and consultation for the Community Association in connection with the Community System.

2.4. Community System shall mean the Water and Sewer Facilities, and such other systems and assets owned or directly controlled by the Community Association used in connection with the provision of water and sewer service to the Community. As used herein, the term includes both Water and Sewer Systems, unless specifically specified. Service Lines are not a part of the Community System.

2.5. Contractor shall mean a Person who performs any work, either for itself or another, on any of the Water and Sewer Facilities, public or private, within the Community System or any Service Lines, including all subcontractors, agents, employees, officers and other representatives of such Person.

2.6. Customer shall mean any Person authorized to use the Water and Sewer Facilities under a Permit issued by the Community Association.

- 2.7. Facilities Construction Agreement shall mean the Purchase and Sale Agreement (Water and Sewer System) between the Community Association and the Declarant, as amended from time to time.
- 2.8. Main shall mean any pipe and appurtenant facility of the Community System used for carrying water (i.e., a Water Main) or Wastewater (i.e., a Sewer Main).
- 2.9. Manager shall mean the Person as appointed by the Board to manage the operation of the Community System.
- 2.10. Permit shall mean approval from the Community Association and, if applicable, the Architectural Committee of the Community Association and any applicable Neighborhood Association to construct Improvements and to connect to the Community System.
- 2.11. Permitted Premises shall mean a Lot and Improvements thereon to which water or sewer service is permitted under any particular Tap Permit.
- 2.12. Person shall mean any individual, corporation, partnership, limited liability company and any other public or private entity or group.
- 2.13. Record Drawings shall mean representative drawings of installations based upon information available from construction observation, measurements and construction contract requirements, which drawings shall include such other information relating to the installation as the Board, Manager or Engineer may request.
- 2.14. Rules and Regulations shall mean these Rules and Regulations for Water and Sewer Service for Old Kinderhook, as amended from time to time.
- 2.15. Security Deposit shall mean a monetary deposit made by a Customer with the Community Association as a condition for provision or continuation of service as provided in these Rules and Regulations. The Community Association shall deposit the Security Deposit in a bank savings account and, when the Security Deposit is returned, pay interest on the Customer Security Deposit to the Customer in the same amount earned in the savings account.
- 2.16. Service Lines shall mean the Sewer Service Lines and Water Service Lines. A Service Line is owned by and is the sole responsibility of the Owner of the Lot serviced by the Service Line.
- 2.17. Sewage shall mean any liquid waste and water carried from residences, buildings or any other facility.
- 2.18. Sewer Main shall mean a Community Association owned sewer pipeline, carrying sanitary sewage or approved industrial wastes only.
- 2.19. Sewer Service Line shall mean any Community Association approved piping with appurtenances installed, owned and maintained by the Customer used to carry sanitary sewage from the Customer's Improvements to a Sewer Main, and shall include the Tap to the Sewer Main. If the piping is in a street, then the Sewer Service Line shall be deemed to begin at the edge of the street abutting the Customer's Lot line.
- 2.20. Sewer System shall mean all facilities owned by the Community Association and used for collecting, pumping, treating and disposing of Wastewater.
- 2.21. Sewer Tap Fee shall mean charges imposed from time to time by the Community Association for authorizing a connection to a Sewer Main of the Community Association. The Sewer Tap Fee is a Tap Fee, as that term is defined in the Community Declaration.
- 2.22. Tap shall mean the physical connection to a Main which, together with the Tap Permit for same, effects water or sewer service to the Permitted Premises.
- 2.23. Tap Permit shall mean the authority to make a service connection for water or sewer service to a Permitted Premises from the Community System.
- 2.24. Technical Standards and Specifications shall mean the minimum technical standards and related operating rules for the design, installation, construction and maintenance of all Water and Sewer Facilities within the Community System, as amended from time

to time. The technical standards and specifications shall be subject to revision by the Community Association Engineer from time to time.

2.25. Unit shall mean the dwelling unit on a Lot.

2.26. Wastewater shall mean the same as Sewage.

2.27. Water and Sewer Rules shall mean these Rules and Regulations for Water and Sewer Service for Old Kinderhook, as amended from time to time.

2.28. Water and Sewer System and Water or Sewer System shall mean the Water and Sewer Facilities, including all Water Mains and Sewer Mains.

2.29. Water Main shall mean a Community Association owned water pipeline, carrying potable water only.

2.30. Water Service Line shall mean any Community Association approved piping with appurtenances installed, owned and maintained by the Customer, used to conduct water to the Customer's Improvements from the Lot line or outdoor meter setting, including the connection to the meter setting. If the pipeline is in a street, then the Water Service Line shall be deemed to begin at the edge of the street abutting the Customer's Lot.

2.31. Water System shall mean all facilities owned by the Community Association and used for collecting, pumping, treating and delivering water.

2.32. Water Tap Fee shall mean the charges imposed from time to time by the Community Association for authorizing a connection to a Water Main of the Community Association. The Water Tap Fee is a Tap Fee, as that term is defined in the Community Declaration.

ANY OTHER TERM not herein defined shall be defined as presented in the "Glossary -- Water and Sewage Control Engineering," A.P.W.A., A.S.C.E., and W.P.C.F., latest editions. In the event of any conflict between the definition of a term used in these Rules and Regulations and any other document, the definition in these Rules and Regulations shall prevail and control in the interpretation of these Rules and Regulations.

ARTICLE III. CONDITIONS FOR USE OF WATER AND SEWER SYSTEMS

3.1. Who May Use. Water and sewer service shall be furnished only to property which has been included within the Community.

3.2. Service Outside the Community. A Person owning land outside the exterior boundaries of the Community who desires service must annex the property which the Person desires to have serviced to the Community in the manner provided in the Community Declaration.

3.3. Water System. The Water System is intended to provide potable water for conventional, domestic uses, certain commercial uses (but only those commercial uses or Private Amenities contemplated by the Community Declaration or the Master Plan, including the Golf Course and fire protection. Any other Persons wanting to use the Water System for any other uses which could be expected to require large quantities of water or unusual demand rates, shall be required to submit demand data for the Board's review before water service will be provided. Water service to such users may contain such use limitations as are determined to be necessary or advisable by the Board.

(a) Water Service. No Person shall connect to or use the Water Mains without first applying and obtaining a Permit for water service from the Community Association and without complying with these Rules and Regulations. No water service shall be obtained until the Water Tap Fee has been paid to the Community Association.

(b) Water Service Line Maintenance. Each Owner shall be responsible for maintaining the entire length of the Water Service Lines serving its property up to and including the tube nut which threads on to the corporation stop on the Water Main or, if any of the line is under a paved street, up to the edge of the street abutting the Customer's Lot line. All repairs and maintenance to a Water Service Line must be performed by a licensed and bonded plumber. Leaks or breaks in such Water Service Line must be repaired, at the Owner's expense, within a reasonable period of time after notification of such condition. The decision of what constitutes a reasonable time period to effect repairs shall be within the sole discretion of the Community

Association. If a leak or break has not been repaired within such time period, the Community Association shall have the right, but not the obligation, to make the repair and may charge the Owner for the costs thereof. The Community Association shall levy an Assessment against the Owner and the Lot for repayment of such costs.

(c) Water Restrictions. Although it is the purpose of the Community Association to provide an adequate supply to meet the requirements of its Customers, there are many factors which make it uncertain that the supply can always be adequate for all purposes. Therefore in times of extreme shortages or operational difficulties, water service for swimming pools, lawn irrigation, car washing and other non-essential uses shall be curtailed by such restrictions and/or methods as are deemed necessary by the Board of Directors or the Manager. No such restrictions shall apply to irrigation of the Golf Course from water drawn from lakes and ponds located on the Club Property or from other sources of water outside of the Water System.

3.4. Sewer System. The Sewer System is for the disposal of water contaminated by biodegradable wastes. No Person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, foundation drainage, cooling water, industrial process water or other waters prohibited by other provisions hereof, into the Sewer System.

(a) Sewer Service. No Person shall connect to or use the Sewer Mains without first applying and obtaining a Permit for sewer service from the Community Association and without complying with these Rules and Regulations. No sewer service shall be obtained until the Sewer Tap Fee has been paid to the Community Association.

(b) Sewer Service Line Maintenance. Each Owner shall be responsible for maintaining, repairing and replacing the entire length of his Sewer Service Line up to and including the upstream end of the wye or saddle fitting on the Main or, if any of the line is under a paved street, up to the edge of the street abutting the Customer's Lot line. All repairs and maintenance to the Sewer Service Line must be performed by a licensed and bonded plumber. The Owner shall ensure that no root infiltration, surface water or groundwater enters the Community System through the Owner's Service Line. Leaks or breaks in a Sewer System Line must be repaired, at the Owner's expense, within a reasonable period of time after notification of such condition. The decision as to what constitutes a reasonable period of time to effect repairs shall be within the sole discretion of the Community Association. If a leak or break has not been repaired within such time period, the Community Association shall have the right, but not the obligation, to make the repair, and may charge the Owner for the costs thereof. The Community Association shall levy an Assessment against the Owner and the Lot for repayment of such costs.

(c) Detrimental Effluent. No material, substance, or waste which is hazardous, flammable, explosive or toxic which results in the effluent not meeting the standards of the federal, state and local government having jurisdiction over the Water and Sewer Facilities shall be put into the Sewer Mains.

(d) Manufacturing and Industrial Uses. Discharge into the Sewer Mains of industrial or manufacturing sewage is prohibited without a special Permit from the Community Association. The special Permit shall define and the Customer shall be bound by the conditions, limitations and restrictions for such discharge. The Customer using such permit shall be bound by and comply with such conditions, limitations and restrictions. The Community Association does not anticipate any industrial uses of the Community Sewer System. Any Person intending to use the Community System for industrial uses shall apply for such and supply such information and submit to various inspections, testing and monitoring in accordance with all applicable federal, state and local laws and regulations pertaining to the discharge, transmission and treatment of wastewater. All requested industrial uses will be addressed on a case-by-case basis to determine whether such uses are compatible with the Community System and what appropriate system design modifications are necessary. All costs incurred in connection with such review shall be paid by the requesting Owner. The Community Association shall not be obligated to grant any Permit for industrial or manufacturing uses.

(e) Prohibited Discharges. Discharge into a Sewer Main of any of the following is prohibited:

- (i) Liquid or vapor having a temperature higher than 150 degrees Fahrenheit;
- (ii) Wastewater which may contain more than 100 parts per million, by weight, of fat, oil or grease;
- (iii) Wastewater which may contain more than 25 parts per million, by weight, of soluble oils;
- (iv) Gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquid, solid, gas or antifreeze;
- (v) Garbage that has not been properly shredded;
- (vi) Ashes, cinders, sand, mud, straw, shavings, metal, glass, feathers, tar, plastics, wood or any other

solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of sewage treatment facilities;

(vii) Wastewater having a pH lower than 5.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazard to structures or equipment of the Sewer System or personnel operating or maintaining same;

(viii) Wastewater in excess of maximum strength of 400 parts per million biochemical oxygen demand; and

(ix) Wastewater containing heavy metals, toxic material or chemical oxygen demand in sufficient quantity to disrupt the operation of treatment facilities, or exceeding any limits which may be specified in a service contract for any such substance.

(f) Grease, Oil and Sand Interceptors. Grease, oil and sand interceptors shall be provided by the Customer when, in the opinion of the Manager, they are necessary for the proper removal of wastes containing grease, oils or sand. Grease trap interceptors are required for all facilities used and operated regularly for the sale of prepared food, including but not necessarily limited to restaurants and any and all other kinds and types of food vending establishments. All garbage disposal discharges from such businesses must go through the grease trap. It is the obligation of the Owner to notify the Community Association of any use of the premises that includes the preparation of foods. This Section 3.4(f) does not apply to private residences where the only food preparation is for the occupants of the residence. All interceptors shall be located so as to be readily available and accessible for maintenance, cleaning and inspection and shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. All grease, oil and sand interceptors shall be water-tight, and, if necessary, gas-tight, and shall be maintained in continually efficient operation at all times by the Customer at the Customer's expense. The Community Association may go upon the Owner's property to inspect any such interceptor from time to time as it deems necessary.

(g) Swimming Pools. No public or private swimming pool shall be connected to a Sewer Main without first obtaining a Permit therefor and except in conformity with conditions of any such Permit. Swimming pool filter backwash effluent only may be discharged into the Community System. The pool drain may not be connected to the Community System. The Community Association may inspect any facilities designed or utilized to permit Swimming Pool discharge to enter the Community System. The Permit shall define and specify the hours during which water may be discharged from such pools into a Sewer Main and prescribe the fees and charges therefor.

(h) Floor Drains. No residential Customers shall have floor drains connected to the Sewer System installed in garages or other uninhabited areas without approval of the Community Association. No patio drains, roof drains, or any other source of storm water or ground water shall be connected to the Community Association's Sewer Mains.

(i) Regulation of Residential Discharge. In order to avoid overloading the Sewer System, the Community Association reserves the right to determine and regulate, in a reasonable and nondiscriminatory manner, the maximum amount of waste discharged into the Sewer System to the extent it may exceed that of a normal residence.

3.5. Cross-Connection Prohibited. The Water System is intended to be the sole source of water within the Community. Cross-connection between the Community System and other supplies is prohibited. A cross-connection is defined as any physical arrangement whereby the Community Association's water supply is connected directly or indirectly with any other water system, sewer drain, conduit, pool, reservoir, plumbing fixture or other device. The use of water for irrigation of the Golf Course from sources other than the Water System shall not be subject to the foregoing restrictions.

3.6. Repair Shut Offs. The Community Association may, without notice and without liability to any Person, suspend service when the Community Association determines repairs are necessary for the Community System.

ARTICLE IV. SERVICE LINES, PERMITS AND CONNECTIONS

4.1. Cost-Responsibility. All cost and expense incident to the installation and connection of Water and Sewer Service Lines, including the cost of any meters, meter pits and vaults shall be borne by the Owner. All Service Lines shall be designed and constructed in accordance with the Technical Standards and Specifications and any applicable governmental rules, regulations, standards and building codes.

4.2. Permit Required: Application. No Person shall cause or permit any connection to any Community Association facility without first obtaining a Tap Permit therefor as provided in these Rules and Regulations. Any Person who desires to obtain new service to property within the Community Association shall make written application therefor at the office of the Community Association upon such forms as may be prescribed and furnished by the Community Association.

4.3. Approval Standards. Upon a determination that all of the following conditions exist or have been met with respect to the application, the Community Association shall issue its Tap Permit for the service requested:

- (a) The written application is accurate, complete, and proper as to form;
- (b) The Person making application is a licensed and bonded plumber, and has authority or consent from the Owner;
- (c) All applicable fees and Assessments imposed by or through the Community Association relating to the provision of water and sewer service have been paid at the time of application;
- (d) The property proposed for service is within the Community;
- (e) The Main on which the Tap will be made has been accepted by the Community Association; and
- (f) The Tap applied for is available under any current Tap Allocation program.

Notwithstanding compliance with the foregoing conditions and any other provision of these Rules and Regulations to the contrary, the Community Association may withhold Permits or approvals for service from any facilities, private or public, which do not conform to these Rules and Regulations.

4.4. Revocation. The Community Association may revoke any Tap Permit, before or after the Tap is activated, upon a determination that the application therefor contained false or inaccurate information and, but for such misinformation, the application would have been denied when made.

4.5. Expiration. Obtaining a Tap Permit from the Community Association does not obligate the Owner to install the Tap and activate the service, but such Permit shall expire and be of no further force or effect if the Tap is not installed and the service activated within one year from the date issued. The Tap Fee is not refundable, but the amount of the Tap Fee so paid will be applied toward applicable fees if the Owner reapplies for the Tap, under the then current schedule of Tap Fees.

4.6. Non-Transferability of Tap Permit or Tap Fee. Each Tap Permit applies only to the Permitted Premises identified thereon, and is not deemed in any sense to be real or personal property. No Tap Permit or Tap Fee may be transferred from one Lot to another without the approval of the Community Association, but a Tap Permit and Tap Fee shall be deemed to follow any transfer or sale of the fee ownership of the Permitted Premises.

4.7. Multiple Use of Tap Prohibited. Not more than one Lot and not more than one building (a structure or improvement under one roof) shall be served by a single Tap, but this provision shall not be construed to require Owners of separate Units within any one building to obtain separate Taps if the Tap for the entire building or project is of adequate size and is in the name of the Neighborhood Association. In the event of a subdivision, sale, or transfer of any part or parts of any separately described parcel of land served by a single Tap, the Owner of that part of the Permitted Premises closest to the Tap, following the route taken by the service line, shall keep the original Tap, and the Owner of each other part shall be required to obtain a new and separate Tap for his part of the property under this Article. If there are Improvements upon such other part of the property which were served by the Tap at the time of the subdivision, sale, or transfer, a new and separate Tap must be obtained for such other part within 30 days of the date of such subdivision, sale or transfer. Any violation of this Section shall be deemed an unauthorized Tap or connection to the Community System.

4.8. Installation Standards. Owner shall make the Tap at his sole cost, subject to all requirements of these Rules and Regulations, and subject further to the following:

- (a) Inspection. No Tap shall be activated until it has been inspected and approved by the Community Association. Property Owner shall notify the Community Association not less than 48 hours before making a Tap and shall set a time for the Community Association's inspection thereof.

(b) Record Drawing. An Owner shall supply the Community Association with a Record Drawing conforming to the Community Association's standards immediately after the Tap has been completed, showing the location of the Tap and the Service Line.

(c) Cure of Defects. An Owner shall, at his sole cost, correct, repair or replace any part or parts of any work performed during installation of a Tap which the Community Association reasonably determines were not constructed in conformity with these Rules and Regulations, approved plans, construction notes or specifications, or which the Community Association determines to be defective, of poor or unworkmanlike quality, or otherwise not in conformity with any applicable warranty. Cure of defects by Owner shall be administered and enforced under these Rules and Regulations.

4.9. Voluntary Disconnection/Abandonment. Any Owner desiring to have water or sewer service permanently disconnected shall notify the Community Association office a minimum of 48 hours in advance of the date of disconnection. The Owner shall, at his sole cost, uncover the Service Line at the location determined by the Community Association and install a plug. If a water or sewer Tap is abandoned, the Community Association shall cause a plug to be installed, thereby effecting a permanent disconnection. Disconnection of service by this means shall not be deemed completed until the Community Association has inspected and approved the plug. All work done pursuant to this Section shall be at the Owner's sole cost. From and after the effective date of disconnection, the Community Association shall not assess any Water and Sewer Service Charges for the Lot so disconnected. Any reinstatement of a service disconnected pursuant to this Section shall be treated as an application for new service, and no credit shall be allowed for any Tap Fee previously paid. The Community Association may enter into an agreement with the Owner of the Golf Course for the terms of any disconnect of all or part of Water or Sewer Service to the Golf Course, which terms may differ from those applicable to the other Owners.

4.10. No Joining of Taps. Each Tap is a separate permit for use, and no user may or shall allow any Taps to be joined, interconnected or manifolded together.

4.11. Water Meters. All users of Community Association water shall be required to have meters installed to measure the flow of water through the Tap. The Owner shall install a meter at the Owner's expense. Each meter shall be installed under the direction of the Community Association, and shall have a stop-cock on each side and a back-flow preventer. The Owner shall obtain the meter from the Community Association and shall reimburse the Community Association for the cost of the meter, provided the title to the meter and the valves and stop cocks shall remain in the name of the Community Association. All meters shall be so located as to be inspected easily at any time by Community Association officials.

(a) Ownership of Meter. The meter shall be at all times deemed the property of the Community Association, and may not be removed or interfered with except upon prior approval by the Community Association.

(b) Testing. Each meter shall be tested by Community Association personnel and properly adjusted at the time of installation. The Community Association may make periodic tests of water meters, and replace or repair meters as needed. The Owner shall be required to pay the costs of repair or replacement.

(c) One Building Per Meter. No more than one building shall be served by one meter. A "building" for this purpose is a structurally independent improvement with plumbing facilities installed. No manifolding or looping of two or more meters is permitted.

ARTICLE V. RATES AND CHARGES

5.1. Sewer Tap Fees. Sewer Tap Fees shall be in the amounts set forth in Exhibit A, as the same shall be amended from time to time by the Board. Sewer Tap Fees shall be paid to the Community Association upon application for sewer service.

5.2. Sewer Service Charges. Sewer Service Charges shall be in the amounts set forth in Exhibit B, as the same amended from time to time by the Members who are Customers as provided in the Community Declaration. Sewer Service Charges for a Lot will commence on the date the Sewer Tap Fee for that Lot is paid.

5.3. Water Tap Fees. Water Tap Fees shall be in the amounts set forth in Exhibit C, as the same shall be amended from time to time by the Board. Water Tap Fees shall be paid to the Community Association upon application for water service.

5.4. Water Service Charges. Water Service Charges shall be in the amounts set forth in Exhibit D, as the same shall be amended from time to time by the Members who are Customers as provided in the Community Declaration. Water Service Charges for a Lot will commence on the date the water service to the Lot is turned on.

(a) Unauthorized Turn On. It shall be unlawful for any Person other than employees or officials of the Community Association to turn on Water Service. The Community Association shall have the right to recover all expense incurred by the Community Association, in connection with such illegal turn on or connection as well as any other remedie available under these Rules and Regulations, the Community Declaration or at law. If the unauthorized user is not an Owner or Related User, the Community Association may institute appropriate civil and criminal proceedings as provided in these Rules and Regulations.

(b) Standby Fire Protection. Upon request by a Contractor or Customer, and at the sole discretion of the Community Association, private fire protection systems within the Community Association may be allowed. Generally, these consist of lines and fire hydrants located in such a way that their use to the general customers of the Community Association is minimal or none. In instances where private systems are allowed, a Standby Fire Protections charge may be imposed.

(c) Construction Water. Upon application to the Manager, a Contractor or Customer may be granted a permit to draw water for construction purposes from the Community System. All water taken for construction purposes must be used for work within the Community. Water to be used in the construction of single family residences shall be charged at a flat rate of (see Exhibit D) per unit. Other uses shall be as determined by the Community Association. Water may be taken from the Fire Hydrant only with a Permit from the Community Association and only in compliance with the terms of Section 8.8 of these Rules and Regulations. The charge shall be as set forth in Exhibit D.

5.5. Billing in Tenant's Name. An Owner may transfer the service to the name of a tenant who is Leasing the Owner's Unit, providing all of the following conditions are satisfied:

(a) The request for transfer of the service to the name of the tenant must be made in writing by the Owner and the Tenant. The request may be made as a part of the Lease.

(b) The Lease must comply with the terms of the Community Declaration.

(c) The term of the Lease shall be for not less than six (6) months.

(d) The tenant shall pay a Security Deposit to the Community Association an amount equal to the estimated charges for two months' service to the Unit. The Security Deposit shall be retained by the Community Association until such time as the service is transferred back to the Owner or to a different tenant. The Community Association shall have the right to apply any Security Deposit against any unpaid bill owed by the tenant. If the Community Association makes use of the Security Deposit, the Customer shall be deemed delinquent until the Security Deposit is replenished.

If service is not in the name of the tenant, the tenant's lease complies with the terms of the Community Declaration and the tenant has given the Community Association separate written notice requesting notice and cure rights prior to turn off of service, then, upon delinquency or default by the Owner of the tenant's Unit, the Community Association shall, prior to disconnecting service to the tenant's leased premises, mail written notice of the default to the tenant, and the tenant shall have not less than 10 days from the day of mailing or three days in the case of notice personally delivered, to pay the delinquent bills in lieu of disconnection of service.

5.6. Turn Off and Turn On Fees. A Turn off and Turn On Fee will be assessed per service each time an Owner requests the Community Association to turn water or sewer service off or on because of vacation, vacancy for rental or any other reason. Turn Off and Turn On Fees will also be charged if the Community Association disconnects or resumes service as a result of the Owner's default in payment of any fees or other charges under these Rules and Regulations. Owners are prohibited from turning services on or off.

5.7. Meter Testing Fees. The Community Association reserves the right to remove and test a meter at any time and to substitute another in its place. In case of a dispute involving the accuracy of the meter, a test will be made by the Community Association upon request of the Customer without charge if the meter has not been tested within the previous 12 months. If the meter has been tested within the previous 12 months and is accurate within five percent (5%), then a meter testing charge of \$60.00 will be made. If the test shows an average error of more than five percent (5%), billings shall be adjusted back to the time that it appears the malfunction began, but in no event for more than eighteen (18) months.

5.8. Taxes. Applicable sales taxes and other taxes, fees, charges and impositions imposed by any governmental authorities having jurisdiction over the Water or Sewer System will be added to all fees and charges. All such taxes, fees, charges and impositions deemed to be a part of the Water and Sewer Charges.

ARTICLE VI.
PAYMENT AND ENFORCEMENT

6.1. Billing Period-Payment. Water and Sewer Charges will be billed quarterly to each Customer. The Community Association reserves the right to change the frequency of billing, but in no event will it be more frequently than monthly. Payment is due upon receipt of the bill. The bill becomes delinquent if payment is not received within thirty (30) days after the billing date.

6.2. Remedies for Late or Nonpayment. If payment of Water and Sewer Charges has not been received by the delinquent date, the Community Association shall have the following rights and remedies:

- (a) Late Fee. A late fee of five (\$5.00) dollars shall be charged.
- (b) Shut-Off. The Community Association will have the right to issue a "Shut-Off Notice" and discontinue service as provided in these Rules and Regulations.
- (c) Security Deposit. If the Customer has paid a bill after the delinquent date for five of the previous 12 months or if the Community Association has disconnected service, the Community Association shall have the right to require a Security Deposit as a condition of continued service or restoration of service. The Security Deposit shall be no more than twice the highest previous bill actually incurred or estimated to be incurred by the Customer by the Community Association in the upcoming 12 month period based on service at the same or a similar location. The Security Deposit shall be retained by the Community Association until such time as the Customer has demonstrated the ability to make timely payments by paying the bills prior to the delinquent date for 12 consecutive months. The Community Association shall have the right to apply any Security Deposit against any unpaid bill. If the Community Association so applies the Security Deposit, the Customer shall be deemed delinquent until the Security Deposit is replenished. A Security Deposit also may be required of existing or former Customers who have previously been disconnected for nonpayment of service charges or for violation of any of the Rules and Regulations.
- (d) Charges and Assessments. All late fees, Turn-Off Fees and all other charges under these Rules and Regulations are Water and Sewer Charges.

6.3. Delinquent Payment, Lien on Property Served. No water or sewer service will be available until all Water and Sewer Charges, including all fees, rates, penalties and charges have been paid. Until paid, all Water and Sewer Charges, including all fees, rates, penalties, and charges made or imposed by the Community Association, shall constitute a Water and Sewer Assessment which, pursuant to the Community Declaration, is an Assessment Lien on and against the Lot served and such lien may be foreclosed in the manner provided by law. All remedies in these Rules and Regulations are in addition to all other remedies provided in the Community Declaration.

6.4. Discontinuance of Service. The Community Association shall have the authority to discontinue water or sewer service or both for any of the following reasons:

- (a) Failure to comply with these Rules and Regulations;
- (b) Nonpayment of a bill for water or sewer service (see Section 6.2);
- (c) Resale by the Customer of water or sewer service;
- (d) An unauthorized connection to either the Water or Sewer System;
- (e) Discharge of unauthorized waste into the Sewer System;
- (f) Fraud or misrepresentation of identity by a Customer in applying for service;
- (g) Failure to post a requested Security Deposit or to replenish any Security Deposit; or
- (h) Unauthorized interference with or diversion of the water or sewer service.

The Community Association shall have the right to discontinue water service to a Customer for nonpayment, or less than full payment, of a bill for sewer service, even though the bill for water service may not be delinquent. A Shut-Off Notice of the Community Association's intent to discontinue water service for nonpayment of sewer charges shall be as provided in these Rules and Regulations.

6.5. Shut Off Notice. Before discontinuance of water or sewer service, the Community Association shall send a "Shut Off Notice" to the Customer by personal delivery or by first class mail, advising the Person of the reason for the proposed discontinuance, stating the date of proposed Shut Off (which shall be at least 10 days from the date of mailing, or three days in the case of notices personally delivered), stating the alleged violation, and providing the name, address and telephone number of a person with the Community Association to contact to attempt to remedy the situation. In the case of situations where public health or safety are in jeopardy, or where there is the potential for damage to the Water or Sewer System, the advance notice requirement shall be waived, and discontinuance may be immediate and without prior notice. In such situations, the Community Association shall provide written notice of the discontinuance to the Customer as soon as practicable under the circumstances. Restoration of service shall not be made until the violation has been remedied to the satisfaction of the Community Association and all applicable Water and Sewer Charges, including Turn Off and Turn On Fees and damages have been fully paid.

6.6. Returned Checks. There will be a charge of \$25.00 assessed for each returned check issued to the Community Association. After a Customer has issued a check to the Community Association for water or sewer service and the check has not been accepted for payment by the Customer's bank, the Community Association shall have the right to demand payment of future water and sewer bills in cash or by money order.

6.7. Concurrent Jurisdiction. The Community Association and its personnel are hereby authorized and empowered to enforce any and all provisions of any governmental authority having jurisdiction over the Community System and any lawful order or direction of any such governmental authority, with the same force and effect as if such provision or order were set forth in these Rules and Regulations or issued by the Community Association.

6.8. Right of Entry. Duly authorized representatives of the Community Association, the Manager or the Engineer bearing proper credentials and identification shall be permitted entry upon all Lots at reasonable times for the purpose of inspecting, observing, measuring, sampling and testing or to effect any emergency maintenance, repairs or corrective procedures in connection with the enforcement and administration of these Rules and Regulations. The foregoing shall not impose any obligation upon the Community Association, the Manager or the Engineer to effect any maintenance, repair or corrective procedure. The Community Association and its representatives shall have the right to enter upon a Lot at any time, without prior notice, in emergency situations where immediate response or attention are deemed required for public health, safety or the integrity of the Water and Sewer Systems and for such other purposes as set forth in the Community Documents.

6.9. Community Association Cure at Owner Cost. If an Owner fails within the specified time following notice to cure from the Community Association to cure the default or nonconformance stated in such notice, the Community Association may, in addition to and without waiving any other remedy, perform the work deemed necessary to cure and charge the Owner for the actual costs incurred in connection therewith. All of such costs shall be levied as a Water and Sewer Assessment.

6.10. Injunctive Relief. In addition to and without waiving any other available remedy, the Community Association may seek injunctive relief from any act or omission which violates these Rules and Regulations which jeopardizes the property including the Community System or health of any Person.

6.11. Unnecessary Excavation and Repair. If any Person reports a backup in a Service Line and attributes same to blockage or other condition of the Community Association facilities, and the Community Association cannot, by any other reasonable means, determine the accuracy of such claim, the Community System will be excavated and inspected. If it is determined the Service Line backup was not caused by blockage or other condition of the Community System, the Owner of the Lot served by the Service Line shall reimburse the Community Association for the cost of such excavation, inspection and related expenses, all of which shall be payable by a Reimbursement Assessment. If, as a part of the excavation and inspection, the Service Line is repaired, the Owner shall reimburse the Community Association for all costs of such repair, in addition to the excavation and inspection charges. Nothing herein shall obligate the Community Association to repair any such Service Line.

6.12. Civil Fines Pass Through. Any Person who, by act or omission, causes the Community Association to incur any fine, penalty or assessment to be imposed by any State, federal or governmental authorities shall be liable to the Community Association for the total cost of the fine so assessed. Such amounts shall be payable as a Water and Sewer Charge and Assessment.

6.13. Notice and Hearing. The Community Association may institute a civil proceeding against an Owner or Related Unit only after complying with Notice and Hearing and dispute resolution provisions of the Community Declaration. The Notice and Hearing and dispute resolution provisions of the Community Declaration will not be applicable to the remedies for late or nonpayment of Water

and Sewer Charges provided in this Article, nor are they applicable to, nor do they or benefit any other Person who violates these Water and Sewer Rules and is not an Owner or Related User. With respect to such Persons, the Community Association may initiate civil proceedings without Notice and Hearing as provided in the Community Declaration.

6.14. No Damages for Failure to Enforce. The purpose of these Rules and Regulations is to establish an operating framework for the Community Association and its Customers for the exclusive benefit of the Community Association. Nothing herein shall create any right to damages against the Community Association, its Board of Directors, officers, agents or employees by reason of the Community Association's failure to enforce these Rules and Regulations. All such Person shall be entitled to the rights of indemnification afforded under the Community Declaration.

6.15. Billing Errors. The Community Association shall not be bound by bills issued by mistake of fact as to the quantity of service rendered or by clerical error, and shall have the right to issue corrected bills.

ARTICLE VII. MAIN EXTENSIONS

7.1. Extensions of Mains. The terms of this Article VII will apply to the installation or extension of Mains by any Person other than the Community Association or the Declarant pursuant to the Facilities Construction Agreement. The Community Association reserves the right to extend Mains in situations which it determines may be in the best interests of the Community Association and its Members, upon such terms and conditions as the Community Association may reasonably determine, including any extension of Mains pursuant to the Facilities Construction Agreement.

7.2. Approval Required; Improvements Agreement. No Person shall commence any construction to extend a Main within the Project Area without the prior written approval of the Community Association, following formal application therefor, upon compliance with these Rules and Regulations. If required by the Community Association, any Person desiring to extend a Main shall enter into a written Improvements Agreement with the Community Association setting forth any or all terms and conditions applicable to any Main Extension.

7.3. Location. Main Extensions shall be installed only in Utility easements granted to the Community Association, or in roads or streets which a city, county, State Highway Department, or other public agency has accepted for maintenance as a public right-of-way.

7.4. Easements. Easements necessary to cover Main Extensions not located in public rights-of-way shall be granted at no cost to the Community Association upon such terms as the Community Association may reasonably require before construction of any such Main Extension begins. The following minimum requirements shall be in effect in connection with all such grants:

(a) Legal Description. The Community Association shall be provided a legal description of all easement parcels to be granted by any single conveyance instrument, consisting of a printed legal description, certified by a land surveyor registered in the State of Missouri, and an accurate survey drawing of each parcel, including north arrow and scale, tying each parcel to a survey land corner or corner of a platted parcel of land.

(b) Evidence of Title. The Community Association shall be provided suitable evidence of title, consisting of a title insurance policy or commitment dated within 30 days before the date of submission to the Community Association. Evidence of title must show all current mortgages and deeds of trust, liens, and other encumbrances against the property.

(c) Subordination Agreement. The Community Association may require a properly executed and acknowledged subordination agreement for any easement or right-of-way parcel to exempt the same from the lien of any mortgage or deed of trust. If so required, the Community Association will not accept the Main Extensions or other facilities for maintenance until it receives all required subordinations. The Community Association reserves the right to require additional or supplemental evidence of title when the subordination agreement is tender the Community Association for recording.

7.5. Right of Way Acquisition Costs. The Person desiring to extend a Community Association Main shall be responsible for and pay all costs and expenses associated with the acquisition and approval of all easements and rights-of-way necessitated thereby. These expenses include, but are not necessarily limited to, the Community Association's actual out-of-pocket costs incurred in connection with the review and approval of such easements and rights of way.

7.6. Design and Construction. The Person desiring to extend a Main shall, at his sole cost, design, construct, and install all Main Extensions, including without limitation frontage extensions, reasonably required by the Community Association. All such work shall be in conformity with and subject to these Rules and Regulations, and, in particular, the Technical Standards and Specifications.

7.7. Plan Review and Approval. No construction of any Main Extension shall begin until after the plans and design therefor have been reviewed and approved by the Community Association as conforming with applicable standards, and until after the Community Association has issued written notice that construction may begin.

7.8. Construction Observation. The Community Association shall be notified at least 48 hours before construction is commenced, and at any and all other times specified by the Community Association, for inspection or testing in any plan approvals or otherwise.

7.9. Conditional Acceptance. Upon completion of construction, a request shall be submitted to the Community Association for a preliminary inspection of the Main Extension. The Main Extension will qualify for Conditional Acceptance by the Community Association when all of the following conditions have been met:

(a) Community Association Review. The Community Association has determined that the Main Extension has been constructed and connected to Community Association facilities in conformity with these Rules and Regulations, approved plans, construction notes and specifications, has passed all necessary tests, and has been approved for use by all other governmental entities and agencies having jurisdiction.

(b) Grantor Requirements. Contractor has tendered and the Community Association has approved the following:

(i) Record Drawings of the utility extension plan, photographically reduced to 1" = 100' scale on mylar drafting film, and certified compaction test results;

(ii) Key map pages consistent in form and content with current Community Association requirements as to key maps showing the location of all component parts of the Main Extension, or other arrangements approved in writing by the Community Association have been made for the preparation thereof;

(iii) A 12-month maintenance bond, or other security approved by the Community Association, in an amount equal to 10% of the costs of constructing the Main Extension, or such greater amount as may be reasonably determined by the Community Association on account of special circumstances of the particular Main Extension, any portion thereof;

(iv) A duly executed written statement that all suppliers of labor and materials have been fully paid, with lien waivers attached;

(v) A duly executed written assignment of all manufacturer's warranties on materials, if applicable;

(vi) All subordination agreements and partial releases required pursuant to this Article; and

(vii) Payment of all sums then due to the Community Association in connection with the Main Extension.

(c) Approval: Tap Permits. The Community Association shall evaluate the request and give written notice to the Contractor of its action, stating any special conditions attached to the Conditional Acceptance, or the reasons for denial of the request, if applicable. No Taps or Service Connections to the Main Extension will be permitted, nor will the Community Association accept applications for such Taps, until the Community Association has given its Conditional Acceptance of the Main Extension as herein provided.

(d) Effective Date. Conditional Acceptance shall be effective as of the date the Community Association executes the Conditional Acceptance form. As of such date, the Main Extension shall be deemed operational, and any Person may apply to the Community Association for Tap Permits to such Main. The Community Association's acceptance of the Main Extension, whether conditional or final, does not, however, guarantee that Taps will be available. Availability of Taps is governed at all times by the provisions of these Rules and Regulations, and such availability is determined in accordance therewith at the time proper application for service is made.

7.10. Maintenance and Repair. Until Final Acceptance of the Main Extension, Contractor shall be solely responsible for all routine maintenance and for correction of any and all defects in the Main Extension, as set forth below:

(a) Routine Maintenance. Contractor shall, at its sole cost, protect the Main Extension and perform all routine maintenance thereon so as to keep it in good repair and operating condition. Such obligations shall include the repair or replacement of any part or parts thereof damaged as a result of street construction, paving, other utility installation or vehicular traffic. In addition, Contractor shall, at his sole cost, correct any soil subsidence or erosion which the Community Association determines occurred in connection with or as a result of construction of the Main Extension.

(b) Cure of Defects and Deficiencies. Contractor shall, at his sole cost, correct, repair or replace any part or parts of the Main Extension which the Community Association reasonably determines were not constructed in conformity with these Rules and Regulations, approved plans, construction notes or specifications, or which the Community Association determines to be defective, of poor or unworkmanlike quality, or otherwise not in conformity with any applicable warranty.

7.11. Acceptance for Maintenance (Final Acceptance).

(a) Standards. Prior to the expiration of one year from the date of Conditional Acceptance (or any longer period of time reasonably determined by the Community Association on account of the particular circumstances) of the Main Extension or any portion thereof, Contractor may request the Community Association to perform a final inspection and accept the Main Extension for maintenance. Upon such request, the Community Association shall inspect the Main Extension and shall accept the same for maintenance when all of the following conditions are met:

(i) Community Association Review. The Community Association determines that the Main Extension has been constructed and connected to Community Association facilities in conformity with these Rules and Regulations, approved plans, construction notes and specifications, has passed all necessary tests and has been approved for use by all other governmental entities and agencies having jurisdiction.

(ii) Maintenance and Repair. Contractor has fully performed all maintenance and repair obligations imposed upon it during the period of Conditional Acceptance.

(iii) Owner Requirements. Contractor has tendered and the Community Association has approved all of the following:

1) A verified statement of Actual Cost of the Main Extension, itemized as the Community Association may require;

2) Any and all deeds, bills of sale, or other conveyance instruments necessary to vest title to all component parts of the Main Extension in the Community Association with warranties of title as provided in these Rules and Regulations;

3) All drawings, maps and construction notes pertaining to any changes in the Main Extension made during the period of Conditional Acceptance;

4) Payment of all sums due to the Community Association from Contractor on account of the Main Extensions; and

5) Lien waivers in form acceptable to the Community Association by all Persons providing labor or materials and all contractors or others entitled to mechanics liens, against facilities and properties included in the Main extension.

(b) Effective Date. The Community Association's final acceptance of the Main Extension for maintenance shall be effective as of the date the Community Association executes the Final Acceptance form. As of such date, all of Contractor's right, title and interest in and to the constructed Main Extension, including all Mains, pipelines, valves, manholes, and related parts and materials which comprise the constructed Main Extension, shall immediately pass to and vest in the Community Association, free and clear of all liens and encumbrances, and Contractor shall warrant and defend the conveyance of such Main Extension to the Community Association, its successors and assigns against all and every Person or Persons whomsoever. As of the date of Final Acceptance, the Community Association shall operate and maintain the Main Extension at its expense. Nothing contained herein, however, shall be construed to relieve Contractor from its warranty obligations set forth in these Rules and Regulations or in any separate agreement. Notwithstanding Final Acceptance, Contractor and connecting Owner, their successors and assigns, shall remain responsible for all Service Lines.

7.12. Facilities Construction Agreement. The terms of this Article and any other terms of these Rules and Regulations relating to the extension of Mains or the expansion of the Water and Sewer System, including Taps and Service Lines, shall not apply to any extension or expansion which is undertaken under the Facilities Construction Agreement or any other construction, maintenance or repair undertaken by Declarant under rights reserved by Declarant in the Community Declaration.

ARTICLE VIII. CONSTRUCTION STANDARDS

8.1. General Construction Standards. All excavations and other work on Main Extensions, Taps, or other portions of the Community System shall be performed in conformity with and are subject to the requirements and conditions set forth below. The term Contractor as used in this Article applies also to the Owner.

(a) Compliance. Contractor shall comply with all of these Rules and Regulations, the Technical Standards and Specifications and all other Rules and Regulations of the Community Association, and those laws, ordinances, rules and regulations imposed by any governmental authorities having jurisdiction over the Community System.

(b) Safety. It shall be Contractor's responsibility to determine, initiate, maintain and supervise all measures necessary to protect the public during construction.

(c) Permits. The Contractor shall be solely responsible for obtaining any and all permits required for the work from other governmental entities or agencies having jurisdiction over the Contractor's work.

(d) Subsurface Structures. The Community Association shall make available to the Contractor Record Drawings showing the location of its facilities in the vicinity of the work, but the Contractor shall be finally and solely responsible for determining the existence and location of all subsurface structures in such area, and shall indemnify and hold the Community Association harmless against any and all claims for damages to any such structures.

(e) Warranty. All materials and workmanship furnished by the Contractor shall conform to the provisions of the Technical Standards and Specifications and to all plans and designs approved by the Community Association, and shall be free from all defects due to faulty or non-conforming materials or workmanship.

(f) Inspections. Inspections and testings will be performed by the Community Association during normal weekday business hours of the Community Association. Whenever an inspection or testing is required by any specific provision of these Rules and Regulations or by the terms of any permit or plan approval, the Contractor shall give the Community Association such notice as is required and shall not cover or otherwise obscure the work to be inspected until the inspection has been made. If required by the Community Association, the Contractor shall uncover or otherwise make such work accessible for inspection when ordered to do so by the Community Association. The inspections, testing and reviews performed by the Community Association are for the sole and exclusive benefit of the Community Association. No liability shall attach to the Community Association by reason of any inspections, testing, or reviews required or authorized by these Rules and Regulations, or by reason of the issuance of any approval or Permit for any work subject to this Section.

(g) Independent Investigation. Contractor shall thoroughly examine the work site to ascertain for himself all soil, geological, groundwater and other conditions to be encountered which might affect the work being undertaken. The Contractor shall enter into such work relying on his own investigation and information, and not on any statements or representations, if any, that have been made by the Community Association.

(h) Indemnification. By undertaking any work subject to this Section, Contractor agrees to indemnify and hold harmless the Community Association from any and all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with any work which is subject to these Rules and Regulations if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the act, omission, error, professional error, mistake, negligence, or other fault of Contractor, or which arises out of any Worker's Compensation claim of any employee of or any other Person claiming through the Contractor. Contractor shall investigate, handle, respond to any and all claims, and to provide defense for the Community Association at the sole expense of Contractor. The Contractor also shall bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not any such claims or demands alleged are groundless, false, or fraudulent.

(i) Record Drawings. Upon completion of the work, Contractor shall submit to the Community Association Record Drawings and certified compaction test results relating to such work.

8.2. **Insurance.** Contractor shall not commence work on the Community System until insurance as provided hereunder has been obtained and certificates evidencing the same have been issued by the respective insurance companies to the Community Association. All insurance companies must have ratings not less than those of the carriers providing comparable insurance for the Community Association.

(a) **Scope of Coverage.** Contractor shall procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability claims, demands, and other obligations assumed by Contractor pursuant to this Article. The Association may require additional coverage if required by any Lender having a security interest in the Community System. Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Article by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.

(b) **Types of Coverage.** Contractor shall procure and maintain, and shall cause all of its subcontractors to procure and maintain, the minimum insurance coverages listed below. Such coverages shall be procured and maintained with policies and insurers acceptable to the Community Association. All insurance companies must have ratings not less than those of the carriers providing comparable insurance for the Community Association. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by Contractor pursuant to this Article. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

(i) **Worker's Compensation insurance** to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Article in such minimum amounts as required by Missouri law. Contractor shall indemnify and hold the Community Association harmless from and against any claims, including all awards, costs, and expenses including attorneys' fees incurred by the Community Association as a result of any claims made by any of its employees or subcontractors or subcontractor's employees.

(ii) **Commercial General Liability insurance** with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards. The policy shall contain a severability of interests provision.

(iii) **Comprehensive Automobile Liability insurance**, which may be included within the Commercial General Liability insurance, with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision.

(iv) **Professional Liability insurance** with minimum limits of THREE HUNDRED THOUSAND (\$300,000) each claim and SIX HUNDRED THOUSAND DOLLARS (\$600,000) aggregate.

(c) **Miscellaneous.** The policies shall be endorsed to include the Community Association and its officers and employees as additional insureds. Every policy required above shall be primary insurance, and any insurance carried by the Community Association shall be excess and not contributory insurance to that provided by Contractor. Contractor shall be solely responsible for any deductible losses under any policy required above.

(d) **Enforcement.** Failure on the part of Contractor to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute cause for issuance of a Stop Work Order hereunder. In addition, without waiving any other available remedy, the Community Association may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Community Association shall be charged to and paid by Contractor.

8.3. **Required Submittals.** No Contractor shall begin any excavation or any other work on any Main Extension, Tap, or any other portion of the Community System until the Contractor has obtained a Permit therefor, and has submitted, in addition to any other materials required elsewhere herein, the following, approved as to form by the Community Association:

(a) **Written Agreement.** A writing duly signed by Contractor (i) acknowledging his consent to be bound by the

provisions of this Article; (ii) warranting that the work will conform to such provisions and will be free from defects due to faulty or nonconforming materials and workmanship; (iii) agreeing to indemnify the Community Association as provided in this Article; and (iv) agreeing to pay any and all applicable fees and charges provided by these Rules and Regulations in connection with the work.

(b) Insurance Certificates. Certificates prepared by Contractor's insurance agent in form satisfactory to the Community Association evidencing that policies providing the required coverages, conditions, and minimum limits are in full force and effect. The certificate shall identify the work being performed and shall provide that the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days' prior written notice has been given to the Community Association. The Community Association reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

(c) Fees. The full amount of all fees payable in advance, or any required costs deposits, or both.

8.4. Stop Work Orders. The Community Association may revoke any Permit for work and issue a Stop Work Order upon a determination that the Contractor has violated or has failed to meet any condition of the approval, any provision of this Article or any other standard, specification, or rule imposed by the Community Association. A Stop Work Order may be issued orally or in writing by the Manager or Community Association Engineer, and shall take effect immediately upon the issuance thereof, and remain in full force and effect until rescinded in writing by the Community Association. It is a violation of these Rules and Regulations for any Person to do any work in violation of the terms of any Stop Work Order issued pursuant to this Section except such as may be permitted by the Community Association in order to render the construction site safe and secure.

8.5. Cure of Defects. If the Community Association determines that any part of the work was not performed in conformity with these Rules and Regulations or approved plans, or is defective, of poor or unworkmanlike quality, or otherwise not in conformity with any applicable warranty, it may give written notice thereof to the Contractor. Such notice shall specify the non-conformity, direct the Contractor at his cost and subject to this Article to perform specified curative work, and specify the period of time determined by the Community Association reasonably necessary for completion of the curative work. If the Contractor fails within the time stated following such notice to cure the nonconformity specified therein, the Community Association, in addition to and without waiving any of its other remedies, may perform the work and charge the Contractor and the Owner for its actual costs incurred in connection therewith.

8.6. Fees. Contractor will pay the Community Association all fees imposed and assessed by the Community Association for permits, reviews, inspections, tests, approvals, and any other undertakings performed by the Community Association or its professional consultants in connection with the administration and enforcement of these Rules and Regulations.

8.7. Exemptions. The Community Association prohibits individual sewer systems. During the construction of any Improvements, however, the Community Association may permit temporary toilet facilities to be used in accordance with regulations of appropriate governmental authorities, but as soon as such Improvement is connected to the Community System, such use shall be abandoned, and all evidence thereof shall be properly covered or disposed of.

8.8. Construction Water - Fire Hydrant. Any Person applying for and using temporary water service through a fire hydrant within the Community Association shall meet the following requirements:

- (a) A Permit shall be obtained from the Community Association.
- (b) The water permit must be requested on a daily basis. There will be only one gate valve on a hydrant in the Community Association at one time, and valve service will be allocated on a first come, first served basis. Gate valves will be installed daily, Monday through Friday, and removed daily not later than 4:00 p.m. each day.
- (c) Charges shall be assessed in accordance with Exhibit D, depending on size of gate valve, and paid daily. A deposit may also be required.
- (d) All hoses and connections to hydrants shall be water-tight, at least ten feet from the hydrant.
- (e) Any damage to the hydrant, valve, or Community Association property resulting from hydrant water use will be paid for by the user.

(f) The user shall indemnify the Community Association and holds the Community Association harmless from and against any and all damage or injury to any person or property resulting from or in any way connected with temporary water use through the hydrant.

8.9. Facilities Construction Agreement. The terms of this Article and any other terms of these Rules and Regulations relating to the extension of Mains or the expansion of the Water and Sewer System, including Taps and Service Lines, shall not apply to any extension or expansion which is undertaken under the Facilities Construction Agreement or any other construction, maintenance or repair undertaken by Declarant under rights reserved by Declarant in the Community Declaration.

8.10. Record Drawings. Contractors providing Record Drawings represent and warrant the accuracy. The Community Association does not independently verify any such drawings or information, and therefore does not warrant their accuracy.

ARTICLE IX GENERAL PROVISIONS

9.1. Damages and Indemnity. No Person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the Water and Sewer Facilities. Any Person violating any of the provisions of these Rules and Regulations shall be liable to the Community Association for any expense, loss, or damage to the Community Association or its property occasioned by reason of such violation, and shall indemnify the Community Association and its Members against, and hold it and its Members harmless from and against any expense, loss or damage occasioned by any other Person by reason of such violation. The Community Association may levy a Reimbursement Assessment for any such expense, loss or damage.

9.2. Limitation of Community Association. The Community Association shall not be liable for, and no claim shall be made against the Community Association by reason of damage to water heaters, boilers, appliances or any other personal or real property of whatever nature or description resulting from any cause related to the water or sewer service including, but not limited to, damage from turning such service on or off, excessive, inadequate or sporadic pressures; water escaping from open or defective faucets; or burst or leaking service pipes or other facilities. The Owner and the occupant of the premises being served shall be liable for all expense, loss, or damage resulting from failure to repair any leaks or breaks in the Water and Sewer Service Lines to the premises. All Owners are encouraged to obtain insurance to insure against all such risks.

9.3. Authorized Entry. The Manager, and other duly authorized employees of the Community Association bearing proper credentials and identification shall be allowed access at all reasonable hours to any building or premises serviced by the Water or Sewer System for the purpose of inspection, observation, measurement, sampling, reading meters and testing, in accordance with the provisions of these Water and Sewer Rules.

9.4. Notice of Excavations. Except in emergencies, any Person who excavates in any area where water and sewer facilities are located shall give notice to the Community Association of the date, extent and duration of such excavation. The notice shall be given not less than two business days before the beginning of any such work. Any Person who is intending to excavate anywhere in the Community is responsible for locating all underground utility lines and other underground facilities. Such underground lines and facilities can be located by contacting the Missouri One Call System at (800) 344-7483.

9.5. Criminal Penalties. Nothing in these Rules and Regulations or the Community Declaration shall limit or reduce any criminal penalty that may be applicable.

9.6. Severance. If any section, subsection, paragraph, clause, or other provision of these Rules and Regulations shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions.

9.7. Golf Course. Because of the large volume and special circumstances relating to the Golf Course's use of the Community System, the Community Association may enter into a Special User Agreement with the Owner of the Golf Course, which agreement may provide for rates, disconnect rights, tap fees and such other matters as the Community Association may deem to be in the best interests of the Community Association and its Members. Any attempt to modify the terms or benefits of such agreement without the approval of the Owner of the Golf Course may allow the Owner of the Golf Course to disconnect from all or parts of the Community System and to receive a refund of corresponding Tap Fees paid by such Owner.

9.8. Terminology. As used in these Water and Sewer Rules, the term "shall" is mandatory and the term "may" is permissive.

9.9. Revisions. These Rules and Regulations, including all schedules of service charges and tap fees, and other fees, tolls,

penalties and charges other than rates may be altered, amended or repealed by the Board of Directors. Such alterations, amendments and re-enactments shall apply to all Owners, Contractors, Customers and occupants then or thereafter using the facilities or services of the Community Association. Changes in rates shall be subject to the approval of Customers as provided in the Community Declaration.

9.10. Adoption. These Revised and Restated Rules and Regulations are hereby adopted by the Board of Directors of Community Association as of May 27, 1998.

EXHIBIT A
SEWER TAP FEES

This schedule of Sewer Tap Fees may be changed by the Community Association at any time, without notice, in the manner provided in the Rules and Regulations and the Community Declaration.

1. SEWER TAP FEES

A. RESIDENTIAL: \$ 600.00

B. COMMERCIAL/INDUSTRIAL (INCLUDING HOTELS AND MOTELS): \$ 750.00

2. ADDITION TO AND/OR CHANGE IN METER SIZE OR USE

Should any Customer of the Sewer System add or change meter size or use, then that Customer shall pay the new Sewer Tap fees applicable.

3. PERMITS

Approval of the Architectural Committee of the Community Association and the applicable Neighborhood Association, if any, must be obtained before a Permit will be issued.

4. DECLARANT

The manner in which Declarant pays for Sewer Tap Fees shall be as described in the Facilities Construction Agreement.

5. MISCELLANEOUS PROVISIONS:

100% of each Sewer Tap Fee will be paid by the Community Association to the Declarant as permitted pursuant to the Community Declaration.

6. DATE OF ADOPTION

Adopted by the Board to be effective May 27, 1998.

EXHIBIT B
SEWER SERVICE CHARGES

This schedule of charges may be changed by the Community Association in the manner provided in the Community Declaration, at any time without notice.

A. RESIDENTIAL: Sewer service charges will be based upon metered water usage at the rate of \$2.00 per 1000 gallons with a minimum charge of \$15 for every two month billing cycle and a maximum of \$30 for every two month billing cycle.

B. COMMERCIAL/INDUSTRIAL (INCLUDING HOTELS AND MOTELS):

Sewer service charges will be based upon metered usage at the rate of \$1.50 per 1,000 gallons, with a minimum charge of \$15 for every two month billing cycles and a maximum of \$90 for every two month billing cycle.

C. DECLARANT

Declarant shall pay for sewer services for metered lots on the same basis as all other customers.

D. DATE OF ADOPTION:

Adopted by the Board to be effective as of May 27, 1998.

EXHIBIT C
WATER TAP FEES

This schedule of Water Tap Fees may be changed by the Community Association at any time, without notice, in the manner provided in the Rules and Regulations and the Community Declaration.

1. RESIDENTIAL: \$600

2. COMMERCIAL/INDUSTRIAL (INCLUDING HOTELS AND MOTELS): The following fee schedule shall apply for all water taps for the sizes listed:

| Meter Size | Amount | Meter Size |
|------------|---------|------------|
| 3/4" | \$500 | 3" |
| 1" | \$600 | 4" |
| 1½" | \$750 | 6" |
| 2" | \$1,000 | 8" |

3. PERMITS

Approval of the Architectural Committee of the Community Association and the applicable Neighborhood Association, if any, must be obtained before a Permit will be issued.

4. DECLARANT

The manner in which Declarant pays for Water Tap Fees shall be as described in the Facilities Construction Agreement.

5. MISCELLANEOUS PROVISIONS:

100% of each Water Tap Fee will be paid by the Community Association to the Declarant as permitted pursuant to the Community Declaration.

6. DATE OF ADOPTION:

Adopted by the Board to be effective May 27, 1998.

EXHIBIT D
WATER SERVICE CHARGES

This schedule of charges may be changed by the Community Association, at any time without notice, in the manner provided the Rules and Regulations and the Community Declaration.

1. RESIDENTIAL

For the purpose of the following schedules, the words listed below have the meanings set forth opposite each:

- A. Single Family Unit – a free-standing living unit located on a separate and distinct parcel of ground containing only that unit.
- B. Multi-Family Unit -- a dwelling unit attached to one or more other dwelling units where each such unit is, or is designed to be separately owned (e.g. condominium units).
- A-1. Water Service Rates for Single-Family units shall be in accordance with the following:
 - a. \$2.00 per 1,000 gallons, with a minimum charge of \$15 for each two month billing cycle.
- B-1. Water Service Rates for Multi-Family units, when located within one building and each unit served by a separate service line and separate meter, shall be in accordance with the following:
 - b. \$2.00 per 1,000 gallons, with a minimum charge of \$15 for each two month billing cycle.
- B-2. Water Service Rates and billing procedures for Multi-Family units, when located within one building which is served by one Service Line and one master meter, shall be determined by either of the following methods:
 - a. Single-Billing: Neighborhood Association shall be responsible for payment of billing for all units within particular building served by a master meter at the rate of \$2.00 per 1,000 gallons with a minimum charge of \$15 per unit for each two month billing cycle.
 - b. Multi-Billings: Each Owner of each Unit shall be billed separately and responsible for payment of billing for its unit. Total billing for a master meter serving a particular building will be calculated on the same basis as B-2a above, and prorated equally among the units within the building.

In order to be eligible for billing under paragraph B-2, the Builder/Developer shall elect, in writing, Single Billing or Multi-Billing. The Builder/Developer shall provide for notice to all unit owners of the method under which water charges will be calculated and shall install separate shut-off valves for each unit as directed by the Manager of the Community Association. Thereafter, the billing method may be changed only by the Board of Directors of the applicable Neighborhood Association.

2. COMMERCIAL /INDUSTRIAL INCLUDING, HOTELS AND MOTELS:

Water Service Rates for Commercial/Industrial use shall be \$2.00 per 1,000 gallons, with a minimum charge of \$15 per month. Golf course irrigation water to be billed under separate agreement.

The foregoing rates shall not apply to any Special User Agreement that the Community Association may enter into with any large volume user such as the Owners of the Golf Course.

3. CONSTRUCTION WATER:

Residential: Flat rate, one-time charge

\$100

Fire Hydrant Permit

\$100

Usage – Same as Commercial/Industrial Minimum charge

\$15/month

4. DECLARANT

Declarant shall pay for water service for metered lots on the same basis as all other customers.

5. TURN ON AND TURN OFF FEES : \$200

6. DATE OF ADOPTION

Adopted by the Board to be effective as of May 27, 1998.

AMENDED EXHIBIT D

WATER SERVICE CHARGES

November 29, 2008

At a duly convened meeting on November 29, 2008 of the lot owners connected to the sewer service governed by the Community Association, at least seventy-five (75%) percent of those lot owners connected to the sewer service agreed to approve the actions of the Board of Directors of the Community Association to amend this Exhibit D, which is attached to the Rules and Regulations for Water and Sewer Service for Old Kinderhook to read as follows:

This schedule of charges may be changed by the Community Association in the manner provided in the Community Declaration at any time without notice.

1. RESIDENTIAL. For the purpose of the following schedules, the words listed below have the meanings set forth opposite each:

A. Single Family Unit - a free-standing living unit located on a separate and distinct parcel of ground containing only that unit.

B. Multi-Family Unit - a dwelling unit attached to one or more other dwelling units where each such unit is, or is designed to be separately owned (e.g. condominium units).

A-1. Water Service Rates for Single-Family units shall be in accordance with the following:

a. \$2.00 per 1000 gallons with a minimum charge of \$15.00 for each two month billing cycle.

B-1. Water Service Rates for Multi-Family units, when located within one building and each unit served by a separate service line and separate meter, shall be in accordance with the following:

b. \$2.00 per 1000 gallons with a minimum charge of \$15.00 for each two month billing cycle.

B-2. Water Service Rates and billing procedures for Multi-Family units, when located within one building which is served by one Service Line and one master meter, shall be determined by either of the following methods:

a. Single-Billing: Neighborhood Association shall be responsible for payment of billing for all units within a particular building served by a master meter at the rate of

\$2.00 per 1000 gallons with a minimum charge of \$15.00 per unit for each two month billing cycle.

b. Multi-Billings: Each Owner of each Unit shall be billed separately and be responsible for payment of billing for its unit. Total billing for a master meter serving a particular building will be calculated on the same basis as B-2a above and prorated equally among the units within the building.

In order to be eligible under paragraph B-2, the Builder/Developer shall elect, in writing, Single Billing or Multi-Billing. The Builder/Developer shall provide for notice to all unit owners of the method under which water charges will be calculated and shall install separate shut-off valves for each unit as directed by the Manager of the Community Association. Thereafter, the billing method may be changed only by the Board of Directors of the applicable Neighborhood Association.

2. COMMERCIAL/INDUSTRIAL INCLUDING HOTELS AND MOTELS: Water Service Rates for Commercial/Industrial use shall be \$2.00 per 1000 gallons with a minimum charge of \$15.00 per month. Golf course irrigation water to be billed under separate agreement.

The foregoing rates shall not apply to any Special User Agreement that the Community Association may enter into with any large volume user such as the Owners of the Golf Course.

3. CONSTRUCTION WATER:

Residential: Flat rate, one-time charge \$100.00

Fire Hydrant Permit \$100.00

Usage - Same as Commercial/Industrial Minimum charge \$15.00/month

4. DECLARANT: Declarant shall pay for water service for lots on the same basis as all other customers.

5. TURN ON AND TURN OFF FEES: \$200.00

6. FLAT RATE OPTION: As an alternative to meter water usage for water charges, the Community Association, at its option, may impose a flat rate for all lot owners connected to the water system based upon actual cost for water service as determined by the Community Association on an annual basis.

7. STAND BY FEE: The Association shall have the authority to charge each unimproved lot a water stand by fee. The current stand by fee for an unimproved lot is \$10.00 per billing period.

8. DATE OF ADOPTION: This Amendment was adopted by the Board on November 29, 2008 to be effective immediately.