

WATERLINE EXTENSION REIMBURSEMENT AGREEMENT

This agreement is made this _____ day of _____, _____ by and between _____, hereafter call "Customer", and Ellis Water Company, Inc., hereafter called "Company".

Recitals

1. Customer receives water utility service from the Company.
2. Customer has paid Company the sum of \$ _____ to extend a waterline from the previous end point of the line to Customer's property; and Company has extended a waterline to Customer's property.
3. At some future date unknown to either party, it may be necessary for Company to install new meters for new customers between the point of last extension and Customer's meter.
4. Customer desires, in case of the installation of new meters, to recover a part of its cost of installation of the extension.
5. Company desires that Customer receive reimbursement on a prorated basis, for the cost of installation, if new customers are added on Customer's extension and before reaching Customer's meter.

NOW THEREFORE, in consideration of the mutual promises contained herein and in further consideration of the new customer agreement with Customer, the parties agree as follows:

1. This agreement shall be for a term of three (3) years, which term shall begin on the date this agreement is executed. Customer shall be entitled to reimbursement, under this agreement, only for the three year term; provided however, that Customer shall receive reimbursement pursuant to the terms of this agreement, for any new customer who has applied for hook-up prior to expiration of the term but whose hook-up has not been completed at the end of the three year term.
2. The agreement shall inure to the benefit of Customer only and may not be assigned or transferred to Customer's heirs, assigns or successors in interest.
3. For each new customer added to the portion of Customer's extension line, which Customer paid to have installed and which line ends with Customer's water meter (or if Customer has caused to be installed multiple meters, then the last of Customer's meters on Customer's extension), Customer shall be reimbursed as follows:
 - a. Customer shall be entitled to reimbursement, for each new customer added to his/her extension line, according to the following formula: Customer's cost of installation shall be multiplied by a fraction, the numerator of which is 1 and the denominator of which is the total number of customers including the newly added customer and Customer. The product of that multiplication is then divided by the total number of customers on the extension line, not including the new customer. For instance, Customer shall be reimbursed one-half of his installation cost for the first new customer (one divided by two customers total). For the second new customer added, Customer shall be reimbursed one-sixth of his installation cost (one over three customers divided by two customers). For the third new customer added, Customer shall be entitled to reimbursement of one-twelfth of his installation cost (one divided by four customers divided by three). This mathematical pattern, hereafter set out as a formula, shall be carried out to calculate reimbursement for any customers added to the extension line beyond three customers.

$$R = [I \times (1 + C)] \div C$$

R = reimbursement; **I** = installation cost; **C** = total new customers on extension, including newest customer.

- b. Under no circumstance shall Customer be reimbursed more than Customer's original cost of installation. Customer shall not be entitled to interest or dividend payment on the installation cost.

4. Company, in meeting its obligation to its members, retains the right to establish charges for the installation of new meters and other equipment. Company shall take into consideration the amount of reimbursement to which Customer shall be entitled, in establishing the installation cost for new customers added to Customer's extension line.
5. This agreement contains the entire agreement of the parties. There are no promises, representations, guarantees or other inducements other than those set forth in this agreement.
6. This agreement shall be governed and construed by the laws of the State of Indiana.

IN WITNESS WHEREOF the parties have hereunto set their hands and seal this _____ day of

_____, _____.

ELLIS WATER COMPANY, INC.

CUSTOMER:

BY: _____

(Print name and title)

(Print name)