

DEEP RUN WATER CORPORATION
Deep Run, North Carolina 28525

WATER USERS' AGREEMENT

THIS AGREEMENT, between the DEEP RUN WATER CORPORATION, a nonprofit corporation, hereinafter called the ASSOCIATION, and

Name: _____ SS# XXX - XX - _____
Street/Route Address: _____
City: _____ DL# _____
Telephone #: HOME: _____ WORK: _____
a member of the Association, hereinafter called the Member.

WITNESSETH:

WHEREAS, the Member desires to purchase water from the Association, and to enter into a water users' agreement as required by the Bylaws of the Association.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, it is hereby understood and agreed that:

The Association shall furnish, subject to the limitations set out in its "RULES AND REGULATIONS" and its "BY-LAWS" (and the Member hereby acknowledges receipt of copies of both of those documents and of this "WATER USERS' AGREEMENT"), and those hereinafter provided for, such quantity of water as the Member may desire in connection with occupancy of the following described property (and only that property).

The Member hereby grants the Association, its successors or assigns a perpetual easement in, on, over, under and upon the described land with the right to erect, maintain, replace and remove water pipe lines and appurtenant facilities, together with the right of ingress and egress over adjacent land for the purpose mention above.

The Member shall install and maintain at his own expense a service line that shall begin at the meter and extend to the dwelling or place of use. The service line shall connect with the distribution system of the Association at the nearest place of desired use by the Member, provided the Association has determined in advance that the Association water system is a sufficient capacity to permit delivery of water at that point.

The Member agrees to pay for water at such rates, time and place as shall be determined by the Association, and agrees to the penalties for noncompliance with the above as set out in its current Rules and Regulations.

The Association shall purchase and install a cutoff valve and may also include a water meter ins each service. Such cutoff valve and meter shall be installed within three (3) feet of the Association's distribution system. The Association shall have exclusive rights to use such cutoff valve and water meter.

The Association shall have final jurisdiction in any question of location of any service line connection to its distribution system; shall determine the allocation of water to Members in

the event of a water shortage; may shut off water to a Member who allows a connection or extension to be made to his service line for the purpose of supplying water to another user or another location.

The Member agrees to comply with the requirement of the North Carolina State Board of Health that no other present or future source of water will be connected to any water lines served by the Association's water lines and will disconnect from his present water supply prior to connection to and switching to the Association's system.

The Member shall connect his service lines to the Association's distribution system and shall commence to use water from the Association's system on the date that the water is made available to the Member by the Association. Water charges to the Member shall commence on the date that water is made available by the association to the Member, provided that the plumbing connection has been made, but in no event later than sixty (60) days from said date.

Nonpayment of charges and penalties duly imposed within sixty (60) days after original due date will allow the Association, in addition to all other rights and remedies, to terminate his membership in accordance with the Bylaws.

In the event the Member shall breach this contract by (1) refusing or failing, without just cause, to connect his service line to the Association's distribution system as set forth above, or (2) refusing or failing, without just cause, to pay the monthly water bill as billed by the Association, upon the occurrence of either of said events the Member agrees to pay to the Association a lump sum of One Hundred Dollars (\$100.00) as liquidated damages. It is expressly understood and agreed by the parties hereto that said amount is agreed upon as liquidated damages for that a breach by the Member in either of the respects set forth above would cause serious and substantial damages to the Association; and it will be difficult, if not impossible to prove the amount of such damages. The parties hereto have computed estimated, and agreed upon said sum in an attempt to make a reasonable forecast of probable actual loss because of the difficulty of estimation with exactness the damage that will result.

IN WITNESS WHEREOF, we have hereto executed this Agreement this _____ day of _____, 20____, in duplicate originals.

DEEP RUN WATER CORPORATION

By: _____
President

(CORPORATE SEAL)

ATTEST:

Secretary

_____(SEAL)
Member

_____(SEAL)
Member's Spouse

Verification of election not to join the Deep Run Water Corporation.

Name: _____ Date: _____