

# **SOUTH MILLS WATER ASSOCIATION, INC.**

## **SERVICE RULES AND REGULATIONS**

Adopted November 8, 2017

These Service Rules and Regulations shall apply to all accounts and may be amended at any time without prior notice.

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## PURPOSE

The South Mills Water Association, Inc. (the "Association") is dedicated to providing you, our member-customer ("customer"), with a safe, high quality and reliable water supply that meets or exceeds all federal and state drinking water requirements. The purpose of these Services Rules and Regulations ("Services Rules") is to ensure that we produce and distribute water in the most efficient way while maintaining and providing professional and courteous service to satisfy the needs of our customers. We are committed to maintaining quality, excellence, and professional support for our customers.

The Association services over 1,400 active accounts. The Association's water system is a self-supporting non-profit cooperative, and its operations are not funded with tax dollars.

All fees and charges covered by these Service Rules are stated on the Associations' Fee Schedule, which may be changed at any time without prior notice. The Association's Fee Schedule, as amended, is incorporated into these Service Rules.

Each customer must: (1) comply with the Service Rules and Governing Documents, as defined below; (2) provide and maintain a current mailing address and telephone number with the Association; and (3) pay the Association for the Association's damages, costs, or expenses, including attorney fees and legal expenses, caused by, or associated with the customer's failure to comply with the Governing Documents.

If a customer fails to comply with the Governing Documents, then the Association may suspend or terminate the customer, or an Association service provided to the customer. Regardless of whether money damages are available or adequate, the Association may: (1) bring and maintain a legal action to enjoin the customer from violating the Governing Documents; and (2) bring and maintain a legal action to order the customer to comply with the Governing Documents.

**THE ASSOCIATION'S ARTICLES OF INCORPORATION, THE BYLAWS, THESE SERVICE RULES, AND THE TERMS AND CONDITIONS SET FORTH ON EXHIBIT B ATTACHED HERETO (COLLECTIVELY, THE "GOVERNING DOCUMENTS") ARE CONTRACTS BETWEEN THE ASSOCIATION AND THE CUSTOMER. BY BECOMING A CUSTOMER, THE CUSTOMER ACKNOWLEDGES THAT: (1) THE CUSTOMER IS AND SHALL BE BOUND BY THE GOVERNING DOCUMENTS, (2) EVERY CUSTOMER IS A VITAL AND INTEGRAL PART OF THE ASSOCIATION; AND (3) THE ASSOCIATION'S SUCCESSFUL OPERATION DEPENDS UPON EACH CUSTOMER COMPLYING WITH THE GOVERNING DOCUMENTS. IN THE EVENT OF ANY CONFLICT BETWEEN THE GOVERNING DOCUMENTS, THE ORDER OF PRECEDENCE SHALL BE THE ARTICLES OF INCORPORATION, THE BYLAWS, THE SERVICE RULES, AND THE TERMS AND CONDITIONS SET FORTH ON EXHIBIT A.**

## **ASSOCIATION'S SERVICES**

The Association provides the following services:

- Produces and delivers potable water to the Association customers.
- Installs new water services and meters for individual property owners and developers of subdivisions.
- Maintains and repairs Association-owned water mains, service lines, and metering equipment.
- Reads meters for billing.
- Calculates, produces, mails, and collects monthly bills for water and sewer services.
- Locates water lines for customers who are digging - **Call 811 before you dig.**

The Association does not provide the following services:

- Install supply lines from meters to dwellings or buildings.
- Diagnose or repair customer plumbing problems.

## **INSTALLATION OF ASSOCIATION'S EQUIPMENT**

In the event a customer does not have service lines and metering equipment (collectively, the "Service Equipment") installed by the Association at the location where the Association's services are requested (the "Service Location"), then the Association may establish a new account to provide the Association's services to that customer.

To setup a new account, the Customer must execute a Service Agreement, provided that such customer is designated as the owner of the Service Location pursuant to a deed or settlement agreement, and shall bring the following items to the Association's office:

1. A water tap fee as determined by the current Fee Schedule in effect as of the date of the Service Agreement;
2. The customer's current driver's license; and
3. The deed or settlement papers evidencing the customer's ownership of the service location.

The customer acknowledges and agrees that the Service Equipment may not be installed more than ten (10) feet from the public street adjacent to the front of the Service Location and that the Association may determine, in its sole and absolute discretion, the schedule and manner of performance for installing the Service Equipment on at the Service Location.

In addition, the customer shall install a water cutoff valve on the customer's side of the Service Equipment before the Association shall install the Service Equipment. For purpose of this Agreement, "the customer's side of the Service Equipment" shall mean the area from the metering equipment to the customer's residence, including, without limitation, the area under and in the customer's residence.

**THE ASSOCIATION DOES NOT ALLOW MULTIPLE PRIMARY STRUCTURES TO CONNECT TO THE SAME METER. THE CUSTOMER SHALL NOT (I) CONNECT THE SERVICE EQUIPMENT TO ANY ADDITIONAL STRUCTURE BEYOND THE ORIGINAL COVERED STRUCTURE, (II) USE THE ASSOCIATION'S SERVICE EQUIPMENT CUTOFF VALVE, (III) MAKE ANY MODIFICATIONS, ALTERATIONS, RENOVATIONS, OR CHANGES TO THE SERVICE EQUIPMENT, OR (IV) DIG, TRENCH, OR REMOVE ANY DIRT OR GROUND ABOVE OR NEAR THE SERVICE EQUIPMENT UNTIL THE CUSTOMER RECEIVES APPROVAL FROM THE ASSOCIATION. ANY CUSTOMER WHO VIOLATES THIS SECTION SHALL BE SUBJECT TO TERMINATION OF SERVICES UPON FIVE (5) DAYS NOTICE UNLESS ALL EXTRA CONNECTIONS HAVE BEEN REMOVED. CUSTOMER SHALL BE RESPONSIBLE FOR ALL PAST DUE AMOUNTS OR AMOUNTS THAT WOULD HAVE BEEN DUE IF THE CUSTOMER HAD NOT VIOLATED THIS SECTION.**

**EACH METER SHALL BE PLACED AT THE SERVICE LOCATION FOR THE STRUCTURE BEING CONNECTED. FOR THE PURPOSES OF METER LOCATION, THE SERVICE LOCATION MUST BE ON THE SAME LOT (AS DETERMINED BY THE DEED TO THE REAL PROPERTY) AS THE STRUCTURE BEING SERVED. THE ASSOCIATION WILL NOT CONNECT TO ANY METER THAT IS NOT LOCATED ON THE LOT OF THE STRUCTURE TO BE SERVED. IT IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE PROOF, WHICH SHALL BE TO THE ASSOCIATION'S SATISFACTION, THAT THE LOT, METER, AND STRUCTURE ARE PROPERLY PLACED. THE ASSOCIATION'S DETERMINATION THAT A METER IS NOT PROPERLY PLACED IS DISPOSITIVE AND THE CUSTOMER MUST CORRECT THE LOCATION PROBLEM BEFORE SERVICE WILL BE PROVIDED. ANY CUSTOMER WHO VIOLATES THIS SECTION SHALL BE SUBJECT TO TERMINATION OF SERVICES UPON FIVE (5) DAYS NOTICE UNLESS ALL EXTRA CONNECTIONS HAVE BEEN REMOVED. CUSTOMER SHALL BE RESPONSIBLE FOR ALL PAST DUE AMOUNTS OR AMOUNTS THAT WOULD HAVE BEEN DUE IF THE CUSTOMER HAD NOT VIOLATED THIS SECTION.**

## **SUBDIVISIONS**

Developers of subdivisions are also bound by the Association's Water Line Construction Rules and Regulations for Developers (Subdivision Rules). The Subdivision Rules are available upon request, and it is the developer's responsibility to ensure it has reviewed the current Subdivision Rules. Subdivisions are subject to the "Other than Individual Residence" tap fee. The tap fee must be paid for each connection in the subdivision. This fee is an equitable charge by the Association for each subdivision lot that is connecting to the Association's water system. The fee allows the Association to recoup a portion of the Association's previous capital investment in its water system to support subdivisions. The fee is part of the Association's charges for the benefits derived by new subdivision developments and assists in providing the Association with sufficient funds for the maintenance, adequate depreciation, and operation of the Association's water system.

For purposes of these Service Rules, a "subdivision" means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions when any one or more of those divisions is created for the purpose of sale or building development (whether immediate or future, residential or commercial) and shall include all divisions of land involving the dedication of a new street or a change in existing streets. A subdivision may or may not be subject to county regulation and permitting. The Association will determine what is and is not a subdivision based on the definition stated here and in consideration of the totality of the facts involved.

## **APPLICATION FOR ASSOCIATION'S SERVICES**

**The Association may reject any application for service not available under a standard rate or which involves excessive service cost, or which may affect the supply of service to other customers or for other good and sufficient reasons in which case the tap fee will be refunded.**

### **New Accounts: Owners**

In the event a customer already has the Service Equipment installed at the Service Location, then the Association shall setup a new account to provide the Association's services to that customer.

To setup a new account the customer shall bring the following items to the Association's office:

1. A transfer fee stated on the Association's Fee Schedule.
2. The customer's current driver's license; and
3. The deed or settlement papers evidencing the customer's ownership of the Service Location.

In order for the Association's services to be provided to the customer on same day a Service Agreement is executed, the customer shall bring all the required items set forth above to the Association's office before 4:00 p.m. Eastern Time.

### **New Accounts: Rental**

In the event that the customer already has the Service Equipment installed at the Service Location, then the Association shall setup a new account to provide the Association's services to the customer.

To setup a new account the Customer shall bring the following items to the Association's Office:

- A transfer fee stated on the Association's Fee Schedule
- The customer's current driver's license; and
- A security deposit of Two Hundred and No/100 Dollars (\$200.00) or such other amount the associations deems appropriate.

The security deposit shall be held as security for the faithful performance by the customer of the customer's obligations hereunder (the "Security Deposit"). In the event the customer enters and then terminates a Service Agreement without providing notice to the Association, then the Security Deposit shall be applied to any unpaid Monthly Bill (as hereinafter defined) of the customer, including, without limitation, all applicable late fees. The surplus proceeds shall then be refunded to the customer at the last known address of the customer on file with the Association.

If the Customer provides notice to the Association prior to terminating a Service agreement, then the Security Deposit shall be refunded in full to the customer after the final Monthly Bill has been paid in full.

In order for the Association's Services to be provided to the customer on same day a Service Agreement is executed, the customer shall bring all the required items set forth above to the Association's office before 4:00 p.m. Eastern Time.

### **MOVING**

Due to issues with identity theft, the Association can no longer accept requests for the Association's services to be disconnected over the phone. If a customer is moving or needs to change their billing address, the customer must come into the Association's office, or fax or mail the request to the Association, along with a copy of the customer's current driver's license.

### **BILLING**

The Association shall mail all bills to a customer on the first (1st) day of each calendar month during the term of any Service Agreement for the customer's usage of the Association's services during the previous month ("Monthly Bill"). If the customer does not receive a Monthly Bill

for a calendar month during the term of a Service Agreement, then the customer shall remain liable for the bill and must contact the Association at 252-771-5620 to report not receiving a Monthly Bill.

### **SERVICE FEES**

#### **Insufficient Funds (NSF) Fee:**

If a customer's check is returned for insufficient funds (that is, the check bounces), then that customer shall be charged a fee stated on the Association's Fee Schedule and the customer's account shall be flagged "cash or money order only" for a period of one (1) year.

#### **Late Fee:**

If a customer fails to pay their Monthly Bill at or before 5:00 p.m. Eastern Time on or before the fifteen (15th) day of any calendar month during, then that customer shall be charged the fee state on the Fee Schedule; provided, however, in the event that the fifteenth (15th) day falls on a weekend, then that customer shall have until 5:00 p.m. Eastern Time on the next business day before a late fee shall be charged to that customer's account.

### **PAYMENT OF SERVICES AND FEES**

All Monthly Bills and all service fees, including, without limitation, a water tap fee, a transfer fee, a NSF fee, a late fee, a billing service fee, and an inspection fee, shall be payable in full in cash, or by money order or check made payable to "South Mills Water Association."

All Monthly Bills are due and payable on or before the fifteenth (15th) day of each calendar month during the term a Service Agreement.

The Customer can pay their Monthly Bill as follows:

- By delivering payment to the Association's office on Monday through Friday from 8:00 a.m. to 5:00 p.m. Eastern Time ("Business Hours").
- By placing payment in the drop box located on the right side of the front door of the Association's office after Business Hours and on the weekends; or
- By mailing payment to P.O. Box 279, South Mills, NC 27976.
- Pay online with your credit card. Transaction fees apply.

### **HIGH BILLS**

In the event a customer experiences a substantial increase in their Monthly Bill, not related to an increased usage by that customer, then that customer may request the Association to send a service technician to inspect the Service Equipment for a water leak. If that customer would instead like to read the meter and call the Association's office with that reading, then the Association shall assist that customer compare their reading with the Association's reading.

If the service technician does not find a water leak in the Service Equipment, then the customer shall be charged an inspection fee stated on the Fee Schedule.

If the problem is not for the Service Equipment, then the Association suggests that customer call a licensed plumber. There are several other things a customer can check including any loose connections, broken pipes, and bathrooms for leaky toilets or faucets.

### **ADJUSTMENT TO ACCOUNTS**

The Association may disconnect the Service Equipment at the Service Location if any of the following circumstance occur: (i) the Customer fails to pay their Monthly Bill and related NSF fee, including any and all applicable fees provided for herein, on or before the tenth (10th) day after receipt of written notice from the Association that the Customer's check was returned, (ii) the Customer fails to pay their Monthly Bills and any applicable fees for two (2) consecutive calendar months on or before the fifth (5th) day after receipt of written notice from the Association that the Customer's account is past due, which notice shall be mailed by the Association after the fifteenth (15) day of the second calendar month that the Customer failed to pay their Monthly Bills, or (iii) this Agreement is terminated as provided in Section 14 below. If the Service Equipment is disconnected as provided in this Section and the Customer pays their Monthly Bill(s) and all applicable fees in full at or before 5:00 p.m. Eastern Time on the same day the Service Equipment is disconnected (the "Disconnect Day"), then the Association shall re-connect the Service Equipment on the Disconnect Day. If the Customer does not pay their Monthly Bill(s) and all applicable fees at or before 5:00 p.m. Eastern Time on the Disconnect Day but the Customer does pay their Monthly Bill(s) and all applicable fees in full on any business day after the Disconnect Day at or before 4:00 p.m. Eastern Time, then the Association will use its best efforts to re-connect the Service Equipment that same business day. If the Customer's payment is received after 4:00 p.m. Eastern Time, then the Association will re-connect the Service Equipment on the following business day unless the customer requests the Association to re-connect the Service Equipment after Business Hours. The Association may re-connect after Business Hours in its sole discretion. In the event the Association does re-connect the Service Equipment after Business Hours, then the Customer shall be charged the after-hours fee stated on the Fee Schedule.

### **USE OF SERVICE EQUIPMENT**

A customer **must not** do any of the following:

- Connect the Service Equipment to any other residence, house, mobile home, living facility, or store that is not the customer's primary residence.
  - Use the Association's Service Equipment cutoff value.
  - Make any modifications, alterations, renovations, or changes to the Service Equipment;
- or
- **Dig, trench, or remove any dirt or ground above or near the Service Equipment until that customer receives approval from the Association (customer must call 811).**



### **ACCESS TO SERVICE LOCATION**

The Association and its authorized representatives shall have the right, from time to time, as determined in its sole and absolute discretion, to install, inspect, maintain, repair, remove, or disconnect the Service Equipment at the Service Location.

### **LIMITATION ON ASSOCIATION'S SERVICES**

The Association shall not be liable and/or obligated to install, maintain, or repair the following:

- A customer's cutoff value.
- Any and all supply lines from a customer's side of the Service Equipment; or
- Any other plumbing or fixtures on the customer's side of the Service Equipment or in the customer's residence.

### **DISCONNECTION OF SERVICES**

The Association may disconnect the Service Equipment at the Service Location if any of the following circumstance occur:

- A customer fails to pay their Monthly Bill and related NSF fee, including any and all applicable fees provided for herein, on or before the tenth (10th) day after receipt of written notice from the Association that the customer's check was returned.
- A customer fails to pay their Monthly Bills and any applicable fees for two (2) consecutive calendar months on or before the fifth (5th) day after receipt of written notice from the Association that the customer's account is past due, which notice shall be mailed by the Association after the fifteenth (15) day of the second consecutive calendar month of which the customer failed to pay their Monthly Bills; or
- A Service Agreement is terminated.

If the Service Equipment is disconnected but a customer pays their Monthly Bill(s) and all applicable fees in full at or before 5:00 p.m. Eastern Time on that same day the Service Equipment is disconnected (the "Disconnect Day"), then the Association shall re-connect the Service Equipment on the Disconnect Day.

If a customer does not pay their Monthly Bill(s) and all applicable fees at or before 5:00 p.m. Eastern Time on the Disconnect Day, but rather, the customer pays their Monthly Bill(s) and all applicable fees in full on any business day after the Disconnect Day at or before 4:00 p.m. Eastern Time, then the Association shall re-connect the Service Equipment that same business day.

If a customer's payment is not received at or before 4:00 p.m. Eastern Time, then the Association shall re-connect the Service Equipment on the following business day. However, a customer may request the Association to re-connect the Service Equipment after Business Hours. In the

event a customer requests the Association to re-connect the Service Equipment after Business Hours, then that customer shall be charged the after-hours fee stated on the Fee Schedule.

### **FEE SCHEDULE**

<b>1. Transfer Fee</b>	<b>\$ 15.00</b>
<b>2. Return Check Fee</b>	<b>\$ 30.00</b>
<b>3. Late Fee</b>	<b>\$ 10.00 if not paid by the 15<sup>th</sup> of the month by 5:00pm</b>
<b>4. Reconnection Fee</b>	<b>\$ 35.00 if not paid by 8am on disconnect day</b>
<b>5. After-hours Fee</b>	<b>\$ 50.00 plus Reconnection Fee</b>
<b>6. Rental Deposits</b>	<b>\$200.00 Plus \$15.00 Transfer Fee</b>
<b>7. Fire Hydrant Meter Deposit</b>	<b>\$ 1500.00 plus \$10.00 per day &amp; billing for amount water used</b>
<b>8. Reread Fee /Our Read Correct</b>	<b>\$ 15.00</b>
<b>9. Reread Meter / Our Incorrect</b>	<b>No Charge</b>
<b>10. Turn Off / Turn on Per Occurrence</b>	<b>\$ 15.00</b>
<b>11. Meter Tampering</b>	<b>\$ 200.00</b>
<b>12. Meter Testing Fee: If Accurate</b>	<b>\$ 15.00 No Charge if more than 2.5% Inaccurate</b>
<b>13. Inspection Fee Per hour</b>	<b>\$ 35.00</b>
<b>14. Tap Fee Individual Residence</b>	<b>\$ 4,000.00</b>
<b>15. 1 Inch Tap Fee</b>	<b>\$ 6,000.00</b>
<b>16. 2 Inch Tap Fee</b>	<b>\$ 15,000.00</b>
<b>17. 3 Inch Tap Fee</b>	<b>\$ 28,000.00</b>
<b>18. 4 Inch Tap Fee</b>	<b>\$ 43,000.00</b>

<b>19. 6 Inch Tap Fee</b>	<b>\$ 85,000.00</b>
<b>20. 6 Inch Fire Service Tap Fee</b>	<b>\$ 85,000.00</b>
<b>21. Major Subdivision</b>	<b>\$ 7,500.00</b>
<b>22. 1 Inch</b>	<b>\$ 8,500.00</b>

### **Parts and Labor**

For changing service size location, or repairs for damage to the association's property.

Parts are calculated at current price of materials due to fluctuation of the market plus 20%.

### **LABOR**

\$35.00 per man per hour

\$75.00 per man per hour for backhoe

\$10.00 per foot for bores up to 2"

Repairs requiring contracted labor will be charge at invoice cost.

### **New Water Rates**

#### **Water Charges & Fire Service (sprinkler system )**

Monthly Flat Rate User Fee – 0-2000 gals                      \$ 27.00

Volume Charges per 1,000 gals                                      \$ 7.00

## **EXHIBIT A**

### **TERMS AND CONDITIONS**

- **SERVICES.** The South Mills Water Association, Incorporated (the "Association") is engaged in the business of (i) producing and delivering potable water, (ii) installing, maintaining, and repairing water mains, service lines, and metering equipment, as may be necessary (the "Service Equipment"), and (iii) reading, calculating, producing, mailing, and collecting bills for water and sewer services (collectively, the "Association's Services") for customers of the Association.

- **SERVICE CONNECTIONS. THE ASSOCIATION DOES NOT ALLOW MULTIPLE PRIMARY STRUCTURES TO CONNECT TO THE SAME METER. THE CUSTOMER SHALL NOT (I) CONNECT THE SERVICE EQUIPMENT TO ANY ADDITIONAL STRUCTURE BEYOND THE ORIGINAL COVERED STRUCTURE, (II) USE THE ASSOCIATION'S SERVICE EQUIPMENT CUTOFF VALVE, (III) MAKE ANY MODIFICATIONS, ALTERATIONS, RENOVATIONS, OR CHANGES TO THE SERVICE EQUIPMENT, OR (IV) DIG, TRENCH, OR REMOVE ANY DIRT OR GROUND ABOVE OR NEAR THE SERVICE EQUIPMENT UNTIL THE CUSTOMER RECEIVES APPROVAL FROM THE ASSOCIATION. ANY CUSTOMER WHO VIOLATES THIS SECTION SHALL BE SUBJECT TO TERMINATION OF SERVICES UPON FIVE (5) DAYS NOTICE UNLESS ALL EXTRA CONNECTIONS HAVE BEEN REMOVED. CUSTOMER SHALL BE RESPONSIBLE FOR ALL PAST DUE AMOUNTS OR AMOUNTS THAT WOULD HAVE BEEN DUE IF THE CUSTOMER HAD NOT VIOLATED THIS SECTION.**

- **BILLING FOR SERVICES.** The Association shall mail a bill to the Customer on the first (1st) day of each calendar month during the term of this Agreement for the Customer's usage of the Association's Services during the previous month ("monthly bill"). If the Customer does not receive a monthly bill for a calendar month during the term of this Agreement, then the Customer shall still be liable and should contact the Association at 252-771-5620 for assistance.

- **PAYMENT OF SERVICES AND FEES.** All monthly bills and all fees, including, without limitation, a water tap fee, a transfer fee, a NSF fee, a late fee, a billing service fee, and an inspection fee, shall be payable in full in cash, or by money order or check made payable to the South Mills Water Association. All monthly bills are due and payable on or before the fifteenth (15th) day of each calendar month during the term of this Agreement. The Customer can pay their monthly bill by (i) delivering payment to the Association's Office on Monday through Friday from 8:00 a.m. to 5:00 p.m. Eastern Standard ("Business Hours"), (ii) placing payment in the drop box located on the right side of the front door of the Association's Office after Business Hours and on the weekends, or (iii) mailing payment to P.O. Box 279, South Mills, NC 27976.

- **NSF Fee.** If the Customer's check is returned for insufficient funds (NSF), then the Customer shall be charged an NSF fee stated on the Association's Fee Schedule and the Customer's account shall be flagged "cash or money order only" for a period of one (1) year.

- **Late Fee.** If the Customer fails to pay their monthly bill at or before 5:00 p.m. Eastern Time on or before the fifteen (15th) day of any calendar month during the term of this Agreement, then the Customer shall be charged the late fee stated on the Association's Fee Schedule on the balance of the Customer's account; provided, however, in the event that the fifteenth (15th) day falls on a weekend, then the Customer shall have until 5:00 p.m. Eastern Time on the next business day before a late fee shall be charged to the Customer's account.

- **Billing Service Fee.** All late monthly bills shall be paid at or before 1:00 p.m. Eastern Time on the last business day of each calendar month during the term of this Agreement. In the event any such monthly bills are not paid at or before such time, then the Customer shall be charged the billing service fee stated on the Association's Fee Schedule.

- **HIGH BILLS.** In the event the Customer experiences a substantial increase in their monthly bill, not related to an increased usage by the Customer, then the Customer may request the Association to send a service technician to inspect the Service Equipment for a water leak. If the service technician does not find a water leak in the Service Equipment, then the Customer shall be charged a Fifteen and No/100 Dollar (\$15.00) inspection fee.

- **ADJUSTMENT TO ACCOUNTS.** In the event the Customer's high monthly bill is determined to be the result of a water leak on the Customer's side of the Service Equipment, then the Association may allow the Customer to make an adjustment to their monthly bill; provided, however, the Customer may only make one (1) adjustment to a high monthly bill during any twelve (12) month period, and the Customer shall provide the Association with a receipt either for services of a plumber or for parts that were purchased to repair the water leak. The adjustment shall be determined by the Association, in its sole and absolute discretion, by taking the average the Customer's high monthly bill and the Customer's monthly bills for the prior two (2) calendar months. The maximum allowable adjustment is \$25.00.

- **ACCESS TO SERVICE LOCATION.** The Association and its authorized representatives shall have the right, from time to time, as determined in its sole and absolute discretion, to install, inspect, maintain, repair, remove, or disconnect the Service Equipment at the Service Location.

- **LIMITATION ON ASSOCIATION'S SERVICES.** The Association shall not be liable and/or obligated to install, maintain, or repair (i) the Customer's cutoff value, (ii) any and all supply lines from the Customer's side of the Service Equipment, or (iii) any other plumbing or fixtures on the Customer's side of the Service Equipment or in the Customer's residence.

- **DISCONNECTION OF SERVICES.** The Association may disconnect the Service Equipment at the Service Location if any of the following circumstance occur: (i) the Customer fails to pay their monthly bill and related NSF fee, including any and all applicable fees provided for herein, on or before the tenth (10th) day after receipt of written notice from the Association that the Customer's check was returned, (ii) the Customer fails to pay their monthly bills and any applicable fees for two (2) consecutive calendar months on or before the fifth (5th) day after receipt of written notice from the Association that the Customer's account is past due, which notice shall be mailed by the Association after the fifteenth (15) day of the second consecutive calendar month of which the Customer failed to pay their monthly bills, or (iii) this Agreement is terminated as provided in Section 14 below. If the Service Equipment is disconnected as provided in this Section but the Customer pays their monthly bill(s) and all applicable fees in full at or before 5:00 p.m. Eastern Time on that same day the Service Equipment is disconnected (the "Disconnect Day"), then the Association shall re-connect the Service Equipment on the Disconnect Day. If the Customer does not pay their monthly bill(s) and all applicable fees at or before 5:00 p.m. Eastern Time on the Disconnect Day, but rather, the Customer pays their monthly bill(s) and all applicable fees in full on any business day after the Disconnect Day at or before 4:00 p.m. Eastern Time, then the Association shall re-connect the Service Equipment that same business day. If the Customer's payment is not received at or before 4:00 p.m. Eastern Time, then the Association shall re-connect the Service Equipment on the following business day. However, the Customer may request the Association to re-connect the Service Equipment after Business Hours. In the event the Customer requests the Association to re-connect the Service Equipment after Business Hours, then the Customer shall be the after-hours fee stated on the Association's Fee Schedule.

- **TERMINATION.** This Agreement may be terminated if any of the following events occur: (i) the Customer provides notice to the Association the Customer no longer requires the Association's Services, (ii) the Customer provides notice to the Association that the Customer is moving from the Service Location, or (iii) the Customer's account is past due for ninety (90) days or more and the Association closes the Customer's account. The Customer may only provide notice of termination to the Association at the Association's Office, or by fax or mail, provided a copy of the Customer's driver's license is included. Upon termination, the

Association shall have the right to remove any portion of all of the Service Equipment from the Service Location.

- **RELEASE.** THE CUSTOMER, ON BEHALF OF HIM/HERSELF AND HIS/HER FAMILY MEMBERS, GUESTS, AND INVITEES, HEREBY IRREVOCABLY, UNCONDITIONALLY, AND FOREVER RELEASES, ACQUITS, QUITCLAIMS, AND DISCHARGES THE ASSOCIATION, AND ITS MEMBERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS, OF AND FROM ANY AND ALL CHARGES, ACTIONS, COMPLAINTS, CAUSES OF ACTION, CLAIMS (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS FOR PUNITIVE DAMAGES, ATTORNEYS' FEES, AND COSTS), LIABILITIES, OBLIGATIONS, PROMISES, CONTROVERSIES, DAMAGES, SUITS, PROCEEDINGS, EXPENSES, AND DEMANDS OF ANY KIND OR NATURE WHATSOEVER, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, WHETHER ARISING OUT OF CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, BASED UPON, ARISING OUT OF, RELATED TO, OR CONNECTED IN ANY WAY WITH (A) THE INSTALLATION, INSPECTION, MAINTENANCE, REPAIR, REMOVAL, OR DISCONNECTION OF THE SERVICE EQUIPMENT AT THE SERVICE LOCATION AND (B) ANY DAMAGE TO THE SERVICE LOCATION OR THE CUSTOMER'S PROPERTY ARISING OUT OF OR CONNECTED WITH THE SERVICE EQUIPMENT AND/OR PROVIDING THE ASSOCIATION'S SERVICES.

- **FORCE MAJEURE.** Association shall not be responsible for delays or interruptions caused by circumstances beyond its control, including, without limitation, strikes, lockouts, labor troubles, inability to procure materials or fuel, riots, insurrections, war, fire, or other casualty, acts of God, or other conditions or circumstances that are not the fault of the Association.

- **MISCELLANEOUS.** The Association's Service Agreement, Service Rules and Regulations, Subdivision Rules and Regulations, Bylaws, and Fee Schedule, contain the entire understanding of the parties with respect to the subject matter contained herein and supersedes all prior discussions and written and oral agreements between the parties hereto. All notices shall be deemed received upon actual receipt or one (1) business day after delivery to such overnight delivery service, whichever is applicable. Any forbearance, failure, or delay by any party to exercise any right, power, or remedy under this Agreement shall not be deemed to be a waiver of such right, power, or remedy, and any single or partial exercise of any such right, power, or remedy under this Agreement shall not preclude the further exercise thereof. Any waiver of right, power, or remedy shall not affect or alter this Agreement, but rather each and every right, power, or remedy shall continue in full force and effect. The parties shall not be permitted to assign or delegate this Agreement or any respective rights or obligations hereunder without prior written consent of the other party. The parties hereto agree that, notwithstanding the principles of conflicts of laws, the internal laws of the State of North Carolina shall govern and control the validity, interpretation, performance, and enforcement of this Agreement. The parties hereto agree that any action relating to this Agreement shall exclusively be instituted and prosecuted in the courts of the County of Camden, State of North Carolina, and each party hereto hereby waives any and all defenses relating to venue and jurisdiction over the person. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision. This Agreement may be executed simultaneously in duplicate originals, each of which shall be deemed an original and shall be admissible in any proceeding, legal or otherwise, without the production of the other such original. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any interest by any party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such party.