

WATER USERS AGREEMENT

THIS AGREEMENT, entered into between the CANAAN UTILITIES CORPORATION, a non-profit corporation, hereinafter called the "Association" and

Member(s) of the Association, hereinafter called "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 by the parties hereto as follows:

The Association shall furnish, subject to the limitation set out in its Bylaws and Rules and Regulations now in force or as hereafter amended, such quantity of water as Member may desire in connection with Member's occupancy of the following described property:

The Member agrees to grant to the Association, its successors and assigns, a perpetual easement in, over, under and upon the above-described land, with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove water pipelines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the Member for the purpose of ingress to and egress from the above-described lands.

The Member shall install and maintain at his own expense a service line which 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 system is of sufficient capacity to permit delivery of water at that point.

The Member agrees to comply with and be bound by the Articles, Bylaws, Rules and Regulations of the Association now in force, or as hereafter duly and legally supplemented, amended or changed. The Member also agrees to pay for water at such rates, time and place as shall be determined by the Association, and agrees to the imposition of such penalties for noncompliance as are now set out in the Association's Bylaws and Rules and Regulations, or which may be hereafter adopted and imposed by the Association.

In the event service to the Member is terminated, either voluntarily by the Member, or by the Association for cause, the membership deposit shall be held and applied by the Association to any unpaid balance then owing on the Member's account. Should the account be fully paid at the time of termination of service to the Member, the membership deposit shall be refunded by the Association within a reasonable time thereafter.

The Association shall purchase and install a cutoff valve and may also include a water meter in each service. The Association shall have exclusive right to use such cutoff valve and water meter.

The Association shall have final authority in any question on 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; and may shut off water to a Member who allows a connection or extension to be made of his service line for the purpose of supplying water to another user. In the event the total water supply shall be insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Association may prorate the water available among the various Members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water for garden purposes by particular Members and require adherence thereto or prohibit the use of water for garden purposes; provided that, if at any time the total water supply shall be insufficient to meet all of the needs of all of the Members, the Association must first satisfy all of the needs of all Members for domestic purposes before supplying any water for livestock purposes and must satisfy all the needs of all Members for both domestic and livestock purposes before supplying any water for garden purposes.

The Member agrees that no other present or future source of water will be connected to any waterlines served by the Association's waterlines and will disconnect from his present water supply prior to connecting to and switching to the Association's system and shall eliminate their present or future cross-connections in his system.

The Member shall connect his service lines to the Association's distribution system and shall commence to use water from the system on the date the water is made available to the Member by the Association. Water charges to the Member shall commence on the date service is made available, regardless of whether the Member connects to the system.

The failure of a customer to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

1. A late charge of ten percent (10%) of the first \$3.00 on bill and three percent (3%) on excess over \$3.00 after 17th day of the month.
2. Payments not received by 28th day of month will be subject to disconnect on the next business day.
3. In the event it becomes necessary for the Association to shut off (disconnect) the water from a Member's property, a reconnection fee will be charged to reconnect service to the property.

I/We understand that if I/we fail to make these payments my account will be turned over to a collection agency, in which case I will be obligated to pay the costs of collection in addition to the balance owed.

IN WITNESS WHEREOF,
we have executed this agreement this _____
(date)

CANAAN UTILITIES CORPORATION

By: _____, President, Board of Directors

Attest: _____, Office Manager (Association)

Member x _____

Member x _____