

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

ARTICLES OF INCORPORATION

OF

NEUSE COLONY ASSOCIATION, INC.

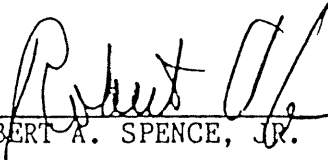
DOCUMENT #409046
DATE 07/09/97 TIME 15:11
FILED

The undersigned, being of the age of eighteen years or more, does ~~THAN EURE~~ ^{THAN EURE} hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of North Carolina. ^{SECRETARY OF STATE}
^{NORTH CAROLINA}

1. The name of the corporation is Neuse Colony Association, Inc.
2. The period of duration of the corporation is perpetual.
3. The purposes for which the corporation is organized is to provide for the maintenance, preservation, structural control, and improvement of the easements, private subdivision roads, common areas, security systems, guardhouse, irrigation systems, and to engage in any other lawful act or activity for which corporation shall be organized under Chapter 55A of the General Statutes of North Carolina.
4. The corporation shall have members which may be divided into classes as shall be provided by the by-laws. All members, namely owners, shall be accepted, or appointed, elected or designated in the manner provided in the by-laws and declarations of covenants filed in the Johnston County Registry.
5. No part of the net earnings of the corporation shall inure to the benefit of any officer, director, or member of the corporation; and upon dissolution of the corporation the assets thereof shall, after all its liability and obligations have been discharged or adequate provision made therefor, be distributed to any association or associations organized for purposes similar to those set forth in Article 3 hereinabove, all as more particularly provided in the by-laws of the corporation.
6. The address of the initial registered office of the corporation in the State of North Carolina is: 212 South Second Street, Johnston County, Town of Smithfield, North Carolina; and the name of its initial registered agent is Robert A. Spence, Jr.
7. The number of directors constituting the initial Board of Directors shall be Rebecca Flowers Finch, Highway 42 East, Box 689, Route 3, Clayton, North Carolina 27520; Kelly White Finch, Highway 42 East, Box 689, Route 3, Clayton, North Carolina 27520; and Delma Flowers, Highway 42 East, Box 689, Route 3, Clayton, North Carolina 27520.

8. The name and address of the incorporator is Robert A. Spence, Jr., 212 South Second Street, Smithfield, North Carolina 27577.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 30 day of June, 1987.



ROBERT A. SPENCE, JR. (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

I, Lydia A. Strickland, a Notary Public, do hereby certify that Robert A. Spence, Jr. personally appeared before me this 30 day of June, 1987, and acknowledge the due execution of the foregoing Articles of Incorporation.

WITNESS my hand and notarial seal, this the 30 day of June, 1987.


NOTARY PUBLIC

My Commission Expires:

9-5-88

NORTH CAROLINA - JOHNSTON COUNTY


Filed For Registration 9:35 am

in the register of deeds office.

Recorded in Book of Corporations 16

Page 268 This July 18 1987

Register of Deeds Asst/Dep. Register of Deeds

 By: Phyllis N. Wall

DISCLOSURE HANDBOOK FOR NEUSE COLONY, INC.

NOTICE TO PURCHASERS: THIS DISCLOSURE HANDBOOK IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. PURCHASERS SPECIFICALLY ARE ADVISED THAT THE DOCUMENTS HEREIN DISCUSSED ARE LEGAL IN NATURE; NO PURCHASERS SHOULD RELY ON THIS DISCLOSURE TO THE EXCLUSION OF COMPETENT LEGAL ADVICE PRIOR TO PURCHASE.

EFFECTIVE DATE OF THIS DISCLOSURE: SEPTEMBER 15, 1988

TABLE OF CONTENTS

<u>SECTION</u>	<u>HEADING</u>	<u>PAGE</u>
1	Introduction	1
2	Description of Development & Nature of Property Interests	2
3	Relevant Community Information	3
4	Improvements of Common Facilities	4
5	Operation & Control of Association	5
6	Budget & Service Contracts of the Homeowners Association	6
7	Restrictions of Occupancy, Rights of Alienation and Alteration	6
8	Use & Zoning of Adjacent Lands; Real Estate Taxes	6
9	Water Utilities	6
10	Insurance	7
11	Disclosure Statement	7
	Appendix	9-13

1. Introduction. Rebecca Flowers Finch and husband, Kelly W. Finch, hereinafter the "Declarant", with their principal office at 4701-D, Highway 42 East, Clayton, North Carolina 27520, telephone number (919) 553-3084, present herewith this Disclosure Handbook for the residential planned unit development known generally as Neuse Colony Subdivision. In 1987, the Declarants opened Section A of Neuse Colony which consisted of 126.13 acres divided into thirty-six (36) tracts bordered on the north by Highway 42 and the south by the Neuse River. The Declarants currently intend to develop approximately 223.87 acres bound on the north by Highway 42 and on the south by the Neuse River extending on the west from Section A of Neuse Colony as platted in Plat Book 29, Page 297, Johnston County Registry to the western boundary of their land on the Neuse River as it intersects Highway 42 at the outskirts of Clayton, North Carolina. The Declarants anticipate obtaining the governmental approvals necessary to create building lots in stages, herein called "Sections", after which the Declarants will construct the necessary roads and drainage while later phasing in water and sewer facilities necessary to serve individual Sections.

The Declarants are under no obligation to annex new or additional Sections to the subdivision but the restrictive covenants for Section A gave the Declarants the power to annex land owned by them to the subdivision. The subdivision itself is a part of approximately four thousand (4,000) acres for which the Declarants already have a master development plan. However, the property is being developed in Sections so as to allow the Declarants maximum marketing flexibility. Therefore, the Declarants make no representations or guarantees that they will annex any remaining tracts into Neuse Colony Subdivision or develop any of their adjacent acreage as part of a unified development scheme.

The approximately four thousand (4,000) contiguous acres lying southeast of Clayton, North Carolina, of which Neuse Colony has been a part, was purchased in the 1930s and 1940s by the avid naturalist Joshua Percy Flowers. The land has been the home to foxes, deer, raccoon, beavers and rabbits.

2. Description of Development and Nature of Property Interests. Section A of Neuse Colony consist of 126.13 acres with the thirty-six (36) individual tracts varying from 2.206 acres to 7.457 acres. The entrance or access way to the Section at Highway 42 is controlled by a limited access system including an English gatehouse, ten (10) foot tall copper lanterns, custom built mailboxes, fencing, entrance wall and manicured landscaping serviced by an underground irrigation system. Access within the subdivision is along a private road maintained by the Homeowners Association. Thirteen (13) lots front on the Neuse River, but walking easements extend from the private roadway to a jogging trail owned by the Homeowners Association extending along the two (2) miles of the river which meander through the subdivision and composes it southern border. Three (3) manmade lakes and dams which are privately owned by residents and separately maintained by Neuse Colony Lake Association, Inc., a nonprofit corporation composed of land owners adjacent to the lakes. Subdivision members, however, have a walking or jogging easement extending around the edge of the lakes providing access to the roadway system and the jogging trail. Amenities include a gatehouse with a controlled access system, ten (10) foot tall copper lanterns, custom built mailboxes, walking easements to the river, and a wooded setting in small rolling hills. Section A was designed to provide large rural tracts for high quality single family residences. The acreage of the individual tracts will probably be much higher and the density lower than subsequent sections of the subdivision.

Section B is likewise bordered on the north by Highway 42 and is located to the west of Section A. The Sections are not contiguous. Amenities to Section B include a gatehouse with a controlled access system, ten (10) foot tall copper lanterns, custom built mailboxes, and a wooded setting. Section B does not extend all the way to the Neuse River and is surrounded on the west, south and east by the Declarant's land which is as yet reserved by the Declarants. The Section offers twenty-seven (27) lots varying in acreage from one (1) to one and one-half (1 1/2) acres. Lots 15 through 26 surround the manmade lake. The lakes are privately owned and the lake and dam shall be maintained and

controlled by Neuse Colony Lake Association II, Inc. Private wells are prohibited in Section B simply because the Section will be serviced by a private water system owned by River Dell Utilities, Inc. with water tapp fees and water bills regulated through the North Carolina Utilities Commission (see paragraph a).

Currently when Neuse Colony Subdivision is complete, Declarants anticipate developing (but make no guarantees to do so) 211 acres which are bounded on the north by Highway 42, on the south and west by the Neuse River, and on the east by Section A and its border with J.T. Flowers' properties. Declarants estimate that approximately 250 units will eventually be constructed within this area in different sections. However, it is not possible to accurately determine when the entirety of this area will be developed or if marketing conditions or other developments will be such as to encourage the Declarants to develop it. Though units in the first two (2) phases have been limited to single family homes, Declarants anticipate the construction of townhouses and other multiple family buildings of various types including townhomes and other cooperatives. It is not possible for the Declarants to now state how many units will eventually be constructed as multi-family or single family in future sections especially since Declarants are under no obligation to annex future sections. Development will depend upon market demands, decisions by governmental authorities from whom the Declarant must obtain necessary approvals, and Declarants' own discretion as to the most advisable development of the area.

3. Relevant Community Information. Clayton Fire Department services Neuse Colony Subdivision and is located approximately three (3) miles away. The fire department itself is personally familiar with the gate system, has the secret code and rescue access has been discussed with the fire department during development. The post office has a key. The area is located on the edge of the Research Triangle Park and is therefore serviced by the hospitals in the Research Triangle Area especially the hospitals in Raleigh, North Carolina, Johnston Memorial Hospital in Smithfield, North Carolina and Wilson Memorial Hospital in Wilson, North Carolina. The children of residents would normally attend the following schools: Clayton Elementary and Primary School in Clayton, North Carolina located approximately three (3) miles away; the Clayton Middle School in Clayton, North Carolina located approximately three (3) miles away; and Clayton High School in Clayton, North Carolina located approximately four (4) miles away. Private schooling is available in Wake County, North Carolina and the subdivision lies a mere 22 miles from the downtown business district of Raleigh, North Carolina.

Religious institutions in the area include: Protestant and Catholic churches in Clayton or Archer's Lodge as well as other institutions in Raleigh, Smithfield, and other nearby towns.

Local grocery stores are located at approximately three (3) miles. Neighborhood shopping centers are approximately two and one-half (2 1/2) miles away at the intersection of Highway 70 East and Highway 42 East, North Carolina. Local shopping malls include those in Cary and Raleigh, North Carolina as well as the discount outlet mall at Carolina Pottery Center in Smithfield, North Carolina.

Several private and public recreation facilities and clubs are currently in the Neuse Colony area. These include the following golf clubs: Pine Hollow in Clayton, North Carolina; Johnston County Country Club in Smithfield, North Carolina. Furthermore, Declarants' present design for the development of the four thousand (4,000) acres, as to which they have no development obligation, includes two (2) golf courses.

Public water and sewer has yet to be extended to the subdivision. Garbage service is available through Trash Collection Service of Smithfield, North Carolina.

4. Improvements of Common Facilities. Currently, the Homeowners Association itself lacks sufficient members to adequately support recreational facilities requiring substantial maintenance. However, a jogging and walking system along the river and around the private lakes has been installed being opened only to members owning adjacent lots. The jogging/walking system are open to all members of Neuse Colony, Inc. but the lake waters themselves are privately controlled by Neuse Colony Lake Association, Inc. and Neuse Colony Lake Association II, Inc. Recreational facilities may vary with the individual sections and the Declarants cannot at this point accurately determine what improvements may eventually be offered or when they will be completed. However, Declarant accepts no obligation to construct additional recreational facilities besides the lake, walking and jogging easements currently of record and referred to above.

The roads through Section A and B are privately maintained by the Homeowners Association and are part of the common property as is the landscaping and irrigation systems at the gatehouses, the gatehouses themselves and the access way. Furthermore, all street lighting and mailboxes are owned and maintained by the Homeowners Association.

River Dell Utilities, Inc., an independent corporation, has agreed to supply water to each lot in Section B before the construction of the home is completed. The roads in Section B will be covered in tar and pea gravel (bituminus surface) with a gravel and crush and run base in the following phases:

- A. Lots 9 through 19 plus Lot 28 and 29 all of Hibiscus Drive and part of the northern section of Queen Anne Drive will be graveled by December 15, 1988; the bituminus surface will be constructed before June 1, 1989.
- B. Lots 20 through 26 on Queen Anne Drive will be graveled within sixty (60) days after and surfaced within six (6) months after the sale of the third one of these lots (20-26).
- C. Lots 1 through 7 will be graveled within sixty (60) days after and surfaced within six (6) months after the sale of the third one of those lots (1-7).

5. Operation and Control of Association. The Homeowners Association is governed by three (3) legal documents being the Articles of Incorporation, the By-Laws, and the Declaration of Covenants. The declaration controls over the By-Laws. The By-Laws describe the basic governing structure of a nonprofit corporation operated by a president, vice-president, secretary and treasurer. The officers are selected and removed by the Board and the Board in turn is governed by the members, who are the lot owners, with the owners of each lot having one (1) vote. Control of the corporation is retained by the developer under clauses substantially identical to the standard PUD clauses proposed by HUD. Members are divided into two (2) classes by the Restrictive Covenants in Article 3 with Class A being composed of all owners except the Declarants; and Class B being composed of Declarants. Class B has three (3) votes per lot and Class A has one (1) vote per lot until the year of 1995. This formula allows Declarant to retain control during much of the development period.

The principal function of the Homeowners Association is to maintain the common properties including the private roads, gateway system, easements, trails, and any recreational facilities later developed. The association will also be responsible for any expenses due to operational activities that later develop on the common properties or due to recreational facilities. The expenses are governed by a budget prepared by the officers who are responsible to the Board of Directors. The expenses are funded by maintenance assessments which are a lien on the lot subject to any mortgage. Each lot shares equally in the apportioned costs of maintaining the common facilities among the participating members with smaller lots paying the same assessments as large lots and lots with more road frontage paying the same as those lots with less road frontage due to the Declarant's belief that the nature of the different interests purchased by members in the phased-in sections will not be so substantially different as to make this formula inequitable.

The maintenance covenants may be increased or decreased by the Board up to five percent (5%) per year or in unlimited amount by the members on a vote of two-thirds (2/3) each class. Rather than detailing all of the rights and privileges under the legal documents here, we have attached a copy of the documents as well as a short outline of the documents to improve clarity and allow the purchaser to more easily grasp the legal rights involved.

Article 6 of the Restrictive Covenants sets forth certain use restrictions which may vary by section. The Section A and Section B both had single family attached housing but the density in Section B was considerably higher than the Section A. Future sections may permit townhouse, co-op, or other multi-family, as opposed to single family, development.

The covenants allow the Declarants and/or the Board to retain architectural control over improvements on the lots so as to protect the subdivision from unsightly development outside the uniform scheme which is designed to protect the marketability of the subdivision. The Declarant intends to assign these approval rights to an architectural control committee under the supervision of the Board at a later date.

6. Budget and Service Contracts of the Homeowners Association. Attached hereto as Exhibit "B" is the budget for the Homeowners Association for the year 198 .

The budget shows the type of expenses currently being incurred by the Homeowners Association as well as the cost per member or lot. Currently, the Homeowners Association has managed the expenses themselves. As the operations of the Association increase, it may need to enter service contracts for a managing agent. Currently, this has not been done.

7. Restrictions of Occupancy, Rights of Alienation and Alteration, and Easements. The Covenants and By-Laws of the Homeowners Association contain use restrictions which limit the use of the properties as well as the rights of the owner to alter the nature of the property. For instance, designs must be approved for any private residences in the Section A or Section B and the use of the lots therein is restricted to private residential use with invitees' rights restricted so as to protect the security of the subdivision. Easements for utilities are recorded on the recorded plat and the covenants give the Declarants the right to place additional easements on the lots for drainage and utility improvements for the subdivision even after sale.

8. Use and Zoning of Adjacent Lands; Real Estate Taxes. Property adjacent to Neuse Colony is not zoned by the County of Johnston, North Carolina which is currently in the process of developing zoning plans for the area. Declarants anticipate the development of the adjacent land to be residential but it is in no way restricted.

Real estate taxes for the County of Johnston, North Carolina for the last few years have been as follows:

Year - 1988 :	1987 :	1986
.75 :	.70 :	.89

Tax Rate per \$100.00 of valuation:

Tax Ratio: 90% of value;
Revaluations each eight years

The above tax ratios and rates serve only as a general guideline and the Declarants can make no guarantees in regards to the taxes.

9. Section B will be serviced by a water utility company principally owned by the Declarant. Rates have yet to be approved by the Utility Commission and the Declarant can only estimate rates as follows:

Tap on Fee - initial payment - \$2,000.00
\$6.50 per month flat rate
\$1.00 per each 1000 gallons
Vacation Cut-Off Fee - \$2.00
Delinquent Cut-Off Fee - \$4.00

10. Insurance. Currently the Homeowners Association is lacking sufficient funds or volume of members to procure adequate insurance protection. As lot sales grow and the number of members increase, the revenues of the Association will substantially increase allowing the Board of Directors, in their discretion, to obtain insurance against liability risks which cause the Board the greatest concern.

The following is a survey of the types of insurance that the Declarants understand are currently maintained by the Association: Property Damage insurance for the gatehouse, ten (10) lanterns at the entrance and mushroom lights insured with Johnston Brothers of Clayton, North Carolina, telephone number (919) 533-4128.

11. Disclosure Statement. By acceptance of this Disclosure Statement, the purchaser specifically waives any rights or actions it might have against the Declarants for any purported oral or written statements or representations as to the nature of the subdivision except as stated herein or in the legal documents affecting the subdivision.

This statement does not contain a full summary of the various documents referred to herein since the documents are outlined to assist the purchaser in understanding them. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents which should be reviewed by all respective purchasers. No person has been authorized to make any representation which is not expressly contained in this statement and this statement itself may not be modified or changed orally.

There are currently no lawsuits or proceedings now pending or any judgment outstanding against the Declarants or the Association or any other person or persons which might become a lien against the subdivision or which materially affect the provisions herein.

The Declarants reserve the right to amend this disclosure statement and the related documents from time to time and any such amendment that does not thereby intend to materially or adversely affect any purchaser or his unit.

The Declarants hereby represent to the best of their knowledge, information and belief that the statements and representations contained herein are true and accurate.

 (SEAL)
REBECCA FLOWERS FINCH

 (SEAL)
KELLY WHITE FINCH

STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON

I, a Notary Public for the County and State aforesaid, certify that REBECCA FLOWERS FINCH and husband, KELLY WHITE FINCH personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this the 7th day of December, 1988.

Florence D. Hockaday
NOTARY PUBLIC



MY COMMISSION EXPIRES: 5-21-91

- EXHIBIT 1 Articles of Incorporation
- EXHIBIT 2 Outline of By-Laws followed by the By-Laws
- EXHIBIT 3 Outline of Restrictive Covenants followed by Restrictive Covenants
- EXHIBIT 4 Explanation of Non-Binding Standards as set forth in the Handbook of the Architectural Control Committee, currently Declarants, with a copy of the application for construction
- EXHIBIT 5 Acknowledgement of receipt, the disclosure statement and the attachments contained therein by purchaser or potential purchaser and further acknowledgement that purchaser has read said documents, fully understands them and has either sought legal advice in that regard or has satisfied themselves that they understand the legal consequences of legal documents involved.
- EXHIBIT 6 Budget of Homeowners Association

OUTLINE OF BY-LAWS

ARTICLE I	Name and Office Location (2901 N.C. 42 East, Clayton, North Carolina 27520)
ARTICLE II	Definitions
ARTICLE III	Meeting of Members: <ol style="list-style-type: none">1. Annual2. Special - 25% of vote3. Notice - 15 days4. Quorum - 50%5. Proxies
ARTICLE IV	Board of Directors: <ol style="list-style-type: none">1. 5 Directors2. Staggered terms3. Removal by majority of members; successor chosen by Board
ARTICLE V	Nomination Committee for Directors; chosen by Board; also allows floor nominations
ARTICLE VI	Directors Meetings: <ol style="list-style-type: none">1. Regular Meetings; 1 time per year after member meetings2. Special Meetings: 3 days notice by president or or 2 directors3. Quorum: 2 directors
ARTICLE VII	Powers of Board/Duties
ARTICLE VIII	Officers (Elected and Supervised by Board): <ol style="list-style-type: none">1. President & Vice-President - must be on Board; also Secretary & Treasurer and other officers as Board desires2. Election - 1st annual Board Meeting3. Term - 1 year4. Special Appointment5. Resignation & Removal (By Board)6. Vacancies filled by Board7. Multiple Offices - Limitation8. Duties
ARTICLE XI	Assessments, 6% interest, foreclosure forms
ARTICLE XII	Corporate Seal
ARTICLE XIII	Amendments - Majority Vote
	Declaration Controls
ARTICLE XIV	Fiscal Year

OUTLINE OF RESTRICTIVE COVENANTS

- ARTICLE I Definitions: Association; Owner; Common Area; Lot; Declarant
- ARTICLE II Property Rights:
1. Easement of enjoyment to: a) Common Area; b) Recreational Area (subject to suspension for assessment nonpayment); c) Utility Easements
 2. Persons with absolute right to use Common Area: Residential family, tenants, contract purchasers
 3. Utility Easement to Declarant
- ARTICLE III Membership and Visitation Rights:
1. Owners of assessed lot and a member
 2. 2 voting class of members:
Class A: All owners except Declarant (1 vote per lot)
Class B: Declarant who has 3 votes per lot owned until 1995 when becomes Class A
- ARTICLE IV Covenant for Maintenance Assessment
1. Annual and special assessments
 2. Assessment purpose
 3. Maximum Annual Assessments:
\$50.00 for 1987; increasable 5%/year by Board or more by 2/3 of each class members; current rate \$200.00/year
 4. Special assessment for capital improvements requires 2/3 vote of each class
 5. Notice & Quorum for action under Section 3
 6. Uniform rate required for all lots
 7. Annual assessment due date set by Board
 8. Nonpayment of Assessment
 9. Subordination of assessment lien to meeting
 10. Exempt properties from assessment; Utility lots and unsold lots of Declarant
 11. Loans to Association
 12. Reserves and Surplus
 13. Contractual Authority
 14. Basis of current assessments 6-2-87, Lots 1-36 (amended Book 1079, Page 251)
- ARTICLE V General Provisions:
1. Section 1 - Enforcement
 2. Section 2 - Severability
 3. Section 3 - Amendment: 75% members during first 20 years; thereafter 66 2/3%
 4. Section 4 - Annexation: Requires 2/3 members except Declarant may unilaterally annex their land and subsequent phases can have different use restrictions (i.e.-party walls, townhouses, different square footage restrictions, higher density)
- ARTICLE VI Use Restrictions:
1. Land use - Building Type: Single family detached house (See Article V, No. 4 as to later sections)

OUTLINE OF RESTRICTIVE COVENANTS (CONT.)

- Multiple unscreened outbuildings or garage (See Amendment, Book 1079, Page 251)
- No lot subdivided or lines unangled without Declarant or assignee consent; Declarant may replat arch control by Declarant or appointer
- 2. Residences must be 1800 heated square feet; foundation veneers restrictions (See Amendment, Book 1079, Page 251)
- 3. Setback; See Plat
- 4. No mobile or modular homes or temporary residences
- 5. No Nuisances
- 6. Signs: Only 1 professional sign not more than 5 square feet allowed in Estates Section - none in other sections.
- 7. Animals: only usual pets; no commercial breeding; leash or restraint required; horses originally allowed but prohibited in Amendment, Book 1079, Page 251
- 8. Garbage, clothesline, woodpiles screened
- 9. Vehicles: No visible junk vehicles; no parking on right of way
- 10. Damaged Property
- 11. Satellite Dish and antenna location and visibility
- 12. Site Distances - "Restrictions within 25 feet of street on plantings/structures
- 13. Driveway Pipes
- 14. Guns Restricted
- 15. Fences Restricted: Board approval required
- 16. No Highway 42 access directly from lot

ARTICLE VII

Easements:

- 1. Private Road Easement
- 2. Utilities and Drainage Easements

SCHEDULE OF RATES

for

RIVER DELL UTILITIES, INC.

for providing water utility service in

NEUSE COLONY SUBDIVISION SECTION B

Johnston County, North Carolina

Metered Water Rates/month:

Base charge	\$6.50 (minimum charge)
Usage charge	\$1.00/1,000 gallons

Connection Charge: \$2,000 (connection charge and gross up to be paid by customer)

Reconnection Charge:

If water service cut off by utility for good cause:	\$15.00
If water service cut off by utility at customer's request:	\$15.00

Bills Past Due: 15 days after billing date

Billing Frequency: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1% per month of unpaid balance still past due 25 days after billing date.

Issued in accordance with authority granted by the North Carolina Utilities Commission in Docket No. W-949 on this the 8th day of December 1988.