

Reed Water Corporation
22103 NCR 1840
Mangum, Ok 73554-3505
580-318-0064

Re: Water Service Agreement

ATTENTION: ALL METERS MUST BE TRANSFERRED INTO THE CURRENT LAND OWNER'S NAME. PLEASE COMPLETE AND SIGN FORMS AND RETURN AS SOON AS POSSIBLE. FAILURE TO TRANSFER WILL CAUSE LOSE OF SERVICE.

Please fill out and sign this form and attach a copy of the deed to begin the transfer procedure. If you are a heir to the property, where the meter is located, you may ask for a waiver of the transfer fee. You may need to appear before the Board of Directors at a regular scheduled meeting, normally the second Monday of the month. You should bring a copy of any paperwork that will aid in your request of a waiver (will, trust, etc.). If a waiver is not granted the cost to transfer the meter is as follows:

Transfer Fee: \$150.00

Membership: \$50.00 (if you are a current member it does not apply)

Be advised that all accounts must be paid in full before a waiver or transfer may be granted. If you have further questions you may contact me at the number above.

Reed Water Corp.

WATER SERVICE AGREEMENT
(Meter Transfer)

THIS WATER SERVICE AGREEMENT (hereinafter, "Agreement") dated this ___ day of _____, 20___, by and between the REED WATER CORPORATION (hereinafter, "Reed Water"), and _____ (hereinafter, the "Applicant").

W I T N E S S E T H:

WHEREAS, Reed Water is a rural water corporation that provides water service to its members in Harmon County, Oklahoma, and Greer County, Oklahoma, for rural, agriculture and domestic purposes;

WHEREAS, Applicant has applied for a water meter transfer with Reed Water and desires that the water meter connected to Reed Water's water line for rural water service located in _____ County, Oklahoma, more particularly described as follows to-wit:

(hereinafter, the "Property"), be transferred into Applicant's name.

WHEREAS, Applicant agrees and understands that any costs and expenses resulting from the transfer shall be the sole responsibility of the Applicant;

NOW upon the terms, provisions and conditions set forth herein, it is hereby mutually agreed by and between Reed Water and the Applicant as follows:

1. WARRANTY OF OWNERSHIP. Applicant covenants, represents and warrants that Applicant is the current record owner of the Property as shown on that certain _____ Deed attached hereto as Exhibit "A" and made a part hereof. Applicant further covenants, represents and warrants that Applicant has all requisite authority to enter into and execute this Agreement as the record owner of the Property.

2. EASEMENTS. Unless otherwise approved by the Board of Directors for Reed Water, Applicant shall grant and convey to Reed Water a perpetual easement and right of way upon, over, under and across the Property with a perpetual right to install, operate, inspect, and maintain the water line(s) upon, over, under, and across the Property. Reed Water and Applicant further agree that the perpetual easement may be filed with the County Clerk of Harmon or Greer County, Oklahoma.

3. COSTS AND EXPENSES. Reed Water and Applicant agree that Applicant shall pay and be responsible for any and all costs and expenses including, but not limited to, all installation fees, service connection fees, engineering fees, legal fees (including all legal fees incurred by both Applicant and Reed Water herein), easement costs, permit fees, construction

costs, inspection fees, pressure testing costs, service connection fees and lab testing fees that may be associated with the water meter transfer and/or the maintenance of the water meter on the Property. Specifically, the Applicant shall pay to Reed Water all applicable fees and costs provided on the rate schedule attached hereto as Exhibit "B" and all applicable fees and costs associated with and provided on the Meter Request Application attached hereto as Exhibit "C", both being made a part hereof.

4. FUTURE INSTALLATION AND DEVELOPMENT. Any future installation and/or development by Applicant beyond the terms of this Agreement shall require re-application for installation and construction with Reed Water, and Applicant acknowledges, understands and agrees that Reed Water is not obligated to provide additional service and/or membership to Applicant in the future.

5. REED WATER'S RULES AND REGULATIONS. Applicant shall not cross-connect in any way whatsoever any water source, chemical source, petroleum source, hazardous substance, hazardous waste or any other source of contamination with the water system of Reed Water. Applicant shall further comply with all rules and regulations of Reed Water. The Rules and Regulations of Reed Water are incorporated in this Agreement by reference, and Applicant acknowledges receiving a copy of the Rules and Regulations of the Reed Water Corporation.

6. COMPLIANCE WITH LAWS AND REGULATIONS. Applicant shall fully comply with all existing local, state and federal laws, rules and regulations. Applicant's obligations under this Section 6 include, but are not limited to, obligations to comply with all laws, rules and regulations of the United States of America, the United States Environmental Protection Agency, the State of Oklahoma, the Oklahoma Department of Environmental Quality, the Oklahoma Water Resources Board and the Oklahoma Corporation Commission.

7. INDEMNIFICATION OF REED WATER. Applicant shall defend, indemnify, assume all responsibility for, and hold Reed Water and its successors and assigns harmless from all costs (including attorney's fees and costs), claims, demands, liabilities or judgments (except those which have arisen from the willful misconduct or negligence of Reed Water) for injury or damage to property, injury or damage to natural resources, and injuries to persons, including death, which may be caused directly or indirectly by any of Applicant's activities under this Agreement, whether such activities or performance thereof be by Applicant or anyone directly or indirectly contracted with or employed by Applicant and whether such damage shall accrue or be discovered before or after the termination and/or expiration of this Agreement. This indemnity includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation, and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous waste including, but not limited to, petroleum and its fractions as defined in the Comprehensive Environmental Response, Compensation and Liability Act; codified at Title 42, Sections 9601, et seq. of the United States Code (hereinafter, "CERCLA"), and all amendments thereto. The foregoing indemnity is intended to operate as an agreement pursuant to Section 9607(e) of CERCLA to assure, protect, hold harmless and indemnify Reed Water from liability. Applicant and Reed Water further agree and understand that the terms and provisions herein

shall remain in full force and effect after the termination and/or expiration of this Agreement and are binding upon the parties thereafter.

8. RELEASE FROM APPLICANT. To the maximum extent permitted by law, Applicant releases, waives and discharges Reed Water and, if applicable, Reed Water's successors and assigns from any and all costs (including attorney's fees and costs), claims, demands, liabilities or judgments for personal injury, death, property damage, damage or injury to natural resources, or otherwise arising out of Applicant's use of the water meter located on the Property or arising out of Applicant's use of water delivered by Reed Water under this Agreement. Applicant and Reed Water further agree and understand that the terms and provisions herein shall remain in full force and effect after the termination and/or expiration of this Agreement and are binding upon the parties thereafter.

9. TERMINATION. Reed Water and Applicant agree and understand that Reed Water shall have the absolute right and authority to terminate this Agreement for the following:

- a. Applicant's representations and warranties made in Section 1 of this Agreement are false;
- b. Applicant fails or refuses to comply with the terms and provisions set forth in Section 2 of this Agreement;
- c. Applicant fails or refuses to make payments under Section 3 of this Agreement;
- d. Applicant fails or refuses to comply with the terms and provisions set forth in Section 5 of this Agreement;
- e. Applicant fails or refuses to comply with the terms and provisions set forth in Section 6 of this Agreement;
- f. Termination of this Agreement is permitted or required by any local, state or federal laws, rules or regulations;
- g. Termination of this Agreement is permitted or required by the rules and regulations of Reed Water;
- h. Termination of this Agreement is permitted or required under any term or provision of this Agreement;
- i. Applicant fails or refuses to perform under any terms or provisions of this Agreement; or
- j. Reed Water's sole discretion to terminate this Agreement.

In the event that the delivery of water is terminated pursuant to this Section 9, this Agreement shall be terminated and shall become null and void, having no further force and effect, except as specifically stated otherwise in Section 7 and Section 8 of this Agreement.

10. RECORDING PROHIBITED. This Agreement shall not be recorded in any public records without the prior written consent of Reed Water.

11. ASSIGNMENT PROHIBITED. The assignment of the terms, provisions, rights and obligations under this Agreement is prohibited without the prior written consent of both Reed Water and Applicant.

12. NOTICES. All notices required or provided in this Agreement, if hand delivered or transmitted by facsimile, shall be deemed to have been given and received on the date hand delivered or transmitted to the party receiving the same. If the United States mails are used, such notice shall be sent certified or registered mail, return receipt requested, postage prepaid, and shall be deemed to have been given and received on the third business day from the date deposited in the United States mails and addressed as shown:

If to Reed Water: Reed Water Corporation
c/o President:

If to Applicant:

Each party shall have the right to designate a different address for the receipt of notices other than the address set forth above, provided the party's new address is contained in a written notice given to the other party.

13. SIGNATURE AUTHORITY. Applicant and Reed Water represent and warrant that the individuals executing this Agreement on behalf of each party have all necessary and requisite authorization and authority to enter into this Agreement.

14. APPLICABLE LAW. This Agreement shall be construed under and governed by the laws of the State of Oklahoma.

15. ATTORNEYS FEES. Should any party to this Agreement bring any action to enforce or defend any provision of this Agreement, the prevailing party will be entitled to an award of reasonable attorney's fees and costs.

16. HEADINGS. The various headings used in this Agreement as headings of sections, articles or otherwise are for convenience only and shall not be used in interpreting or limiting the text in which they appear.

17. SEVERABILITY. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined to be unenforceable by a court of competent jurisdiction, such provision shall be deemed severable and the remaining provisions of this Agreement shall be enforced.

18. BINDING EFFECT. This Agreement shall be executed in duplicate, and when executed by both Reed Water and Applicant, shall be binding upon and inure to the benefit of Reed Water and Applicant, their respective legal representatives, successors and assigns. This Agreement sets forth the complete understanding of Reed Water and Applicant and supersedes all previous negotiations, representations and agreements between them and their agents. This Agreement can only be amended, modified, or assigned by written agreement signed by both Reed Water and Applicant.

AGREED AND ACCEPTED by Reed Water Corporation this ____ day of _____, 20__.

REED WATER CORPORATION

_____, President

AGREED AND ACCEPTED by Applicant this ____ day of _____, 20__.

_____, Applicant