

GSMC WATER SYSTEM

The water system serving Granny Squirrel Gap is privately owned by the Granny Squirrel Mountain Club Homeowners Association, Inc. There are no water meters. All lots are billed for annual maintenance fees which cover the Association's regular expenses other than the operation of the water system. In addition, each lot with a house is billed an additional annual fee to cover the cost of operating the water system. Capital improvements to the water system are paid for through special assessments approved by the lot owners and billed equally to all lots. Please refer to the covenants for more information.

Water lines are installed which can deliver water to each lot in the subdivision. The covenants prohibit the drilling of individual wells but there were a few houses where wells were drilled before the covenants banned them. In order to avoid contamination, North Carolina law and regulations prohibit the connection of a house to the water system and an alternative water source, such as a well, at the same time. This is called cross connection. Where there is a well, a house must be disconnected from the well or it cannot be connected to the water system.

The operation of the water system must be under the supervision of a person licensed by the State of North Carolina. The licensed operator is Miller Well Drilling, Inc. in Hayesville (<http://www.miller-well-drilling.com>). Miller employees handle routine inspections, water sampling, repairs, drilling, and maintenance. Water testing is done by the Cherokee County Health Department and other testing agencies. Test results are made available to property owners on an annual basis. Past testing has raised no concerns.

As with all water systems, leaks and outages occur from time to times for various reasons. The frequency of leaks has been greatly reduced since the water system improvements were completed in the fall of 2008. All property owners can help minimize the effects of leaks by being aware of unusual conditions and reporting them promptly to the Association. Wet spots in or near water lines, mostly along roads, running water across open ground or in ditches, and low water pressure are signs of leaks or other problems. Wet spots or running water when there has been no rain for a while are particularly telling.

WATER SYSTEM TAP-ON POLICY FOR GRANNY SQUIRREL GAP SUBDIVISION

The following policy shall be effective upon receipt of a letter from the State of North Carolina allowing for additional connections to the water system.

Any person requesting a tap will be required to make the request in writing specifying the lot number for which the tap will be used. Persons owning multiple lots must make a separate, written request for each lot to which they want water. The request must be made by the person who is the owner of the lot according to the records maintained by the register of deeds for Cherokee County. Once a tap has been requested it cannot be transferred to any other lot or person and a new request must be submitted upon the sale or transfer of the lot. A non-refundable tap-on charge, the amount of which will be set from time to time by the Association must accompany the request along with evidence in writing that the county has issued a currently valid septic tank permit for the lot unless the lot is to be used for a garden or similar purpose . Until further notice, that tap on charge shall be \$2,500.00. Upon the receipt of the request for a tap, the payment of the tap-on fee to the Association and receipt of a copy of the septic tank permit, the Association shall provide a letter to the lot owner confirming that they have been granted a tap.

In order to use the tap granted by the Association for a residence, the lot owner must submit sketches or plans showing the location of the residence and any other structures on the lot, elevations and floor plans for all structures and specifications for all exterior finishes within one hundred and twenty (120) days of the request for a tap. In addition, construction must begin, prior to the water system connection being made. Clearing or grading a lot shall be not deemed sufficient to begin construction. Construction shall be deemed to have begun when the footings of the residence are inspected by the county and approved. Construction shall be deemed to be completed when the certificate of occupancy or similar approval is issued by the county.

The connection to the water system shall be at such time and location as the Association may designate. It will be made in the manner and with the materials, including valves, specified by the Association and the work must be done by Miller Well Drilling, Inc. or, under limited circumstances and in the sole discretion of the Association, by such other contractor as may be approved by the Association. The lot owner is solely responsible for any costs associated with connecting the residence to the water system which will have to be paid to the contractor in full by the lot owner at or before the time of connection. Nothing herein shall be deemed to grant the lot owner authority to make any temporary or permanent connections to the water system except as provided herein. The Board of Directors can grant variances from this policy in its sole discretion.