

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the Bylaws and Tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new Applicant or continued Membership as a Transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this Agreement. The Board of Directors shall have the authority to cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service.

If this agreement is completed for the purpose of assigning utility service as part of a rural domestic water and/or wastewater system loan project contemplated with the Farmers Home Administration, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

- The number of taps to be considered in the design and
- The number of potential ratepayers considered in determining the financial feasibility of constructing either
- A new water system or
- Expanding the facilities of an existing water system, the Applicant thereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee.
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Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's published rates, fees, and conditions of service. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one

(1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property.

The Corporation's authorized employees shall have access to the Member's Property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspection to insure compliance with state required Minimum Acceptable operating Practices for Public Drinking Water Systems, as promulgated by the Texas Natural Resource Conservation Commission or Successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits the connection of service pipelines from its water service meter to any private well or other unknown water supply.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporations Tariff. By execution (signature of application) by the Applicant of this agreement, Applicant hereby shall comply with the terms of said Program.

The Member shall install at his own expense any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, clean-outs, and other equipment as may be specified by the Corporation. The use of pipes and pipe fittings that contain more than 8.0% lead or solders and flux that contains more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

By execution hereof (signature of application), the Member shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The member shall grant the Corporation, now or in the future, any easements of the right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future members, on such forms as required by the Corporation.

By execution of the Service Application and Agreement, Applicant agrees that non-compliance with the terms of this Agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of the application shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.