

**CONCAN WATER SUPPLY CORPORATION
APPLICATION FOR MEMBERSHIP AND
CONDITIONS OF SERVICE AGREEMENT**

AGREEMENT on this _____ day of _____

Between CONCAN WATER SUPPLY CORPORATION, a corporation organized under the laws of The State of Texas as (herein after called the Corporation) and
_____ thereafter called the Member.

The Corporation shall sell and deliver water service to the Applicant and the Applicant shall purchase and receive water service from the Corporation in accordance with the by-laws 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 and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation tariff and upon the terms and conditions set forth therein. The Member may request to examine the Corporation's tariff by appointment only at the Corporate Concan Water Office. A copy of this agreement shall be executed before service may be provided to the Member.

The Board of Directors shall have the authority to discontinue service and 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. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement and the member/applicant has complied with all terms and conditions that caused the service discontinuance/termination.

The Member hereby 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 by paying the Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate as damages the Membership Fees previously paid. In addition, the Corporation may

assess a lump sum of up to \$1,000.00 as liquidated damages to defray any losses occurred by the Corporation.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter is for the sole use of the Member and is to provide service to only one (1) dwelling or one (1) business. Extension of pipes to transfer utility service from one property to another, to share, resell or submeter water to any other persons, dwellings, businesses or property, etc. is prohibited.

The Corporation shall have the right to locate a water services 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 and necessary 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 Member shall install, at their own expense, any necessary service lines from the Corporation's facilities and equipment to the point of use, including any isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the Federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code or the Corporation's tariff and service policies.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper practices. This Service Agreement serves as notice to each Member of the restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations:

A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an airgap or an appropriate backflow prevention assembly in accordance with state regulations.

B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an airgap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.

C. No connection which allows condensing, cooling, or industrial process water to be returned to the public water supply is permitted.

D. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of any public water supply.

The Corporation shall maintain a copy of this Agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazard and illegal lead materials. These inspections shall be conducted by Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required.

Failure to comply with the terms of this Service Agreement shall cause the Corporation to either terminate service or properly install, test and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of the agreement shall be billed to the Member.

Water is a limited natural resource. Applicant agrees to assist in conserving our water by observing the following:

Usage of water for outside purposes such as lawns, gardens, car washing, should be confined to early morning or late evening.

Usage of non-handheld devices without manual on/off nozzles such as open hoses, sprinklers or soaking hoses should be minimized. In the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

If the State of Texas (TCEQ) mandates CWSC implement their filed Drought/Contingency Plan due to drought conditions, the following restrictions will be enforced:

- 1. No outside watering, including sprinkler systems.
- 2. No using CWSC water to fill or maintain swimming pools.
- 3. Water to be used for domestic use only.

By execution hereof, the Applicant 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 Members of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership.

Said guarantees shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the 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 this Agreement shall result in the discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Applicant(Applicants)

Date Signed

Approved and Accepted

Date Approved