

WATER SERVICE AGREEMENT

TERMS and CONDITIONS

Agreement made this ____ day of _____, _____, between Aqua Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation or Aqua) and _____ (hereinafter called the Member).

Witnesseth:

The Corporation shall sell and deliver water service to the Member and the Member shall purchase, receive, and/or reserve water 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 Membership Fee, the Member qualifies for membership as a new Member 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 is available for review at the Aqua office, upon the request of any Member.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or connection is for the sole use of the Member or customer and is to serve water to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water 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 inspecting for possible violations of the Corporation's policies and to ensure compliance with the state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Commission on Environmental Quality or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits any direct connection between the public drinking water supply and a potential source of contamination. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention assembly. The Corporation strictly prohibits any cross-connection between the public drinking water supply and a private water system. These potential threats to the public drinking water shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention assembly. The Corporation strictly prohibits any connection which allows water to be returned to the public drinking water supply.

The Member shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent: (i) prior to initiating new water service; (ii) when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; and/or (iii) after any major changes to the private plumbing facilities. The Corporation shall notify the Member in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection. The Member shall immediately correct any unacceptable plumbing practice on his premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention assembly required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation. All commercial facilities receiving water service require a backflow prevention assembly.

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 Water Rationing Plan as specified in the Corporation's Tariff. By execution of this Service Agreement, hereof, the Member shall comply with the terms of Water Rationing Plan.

The Member shall install at his own expense a service line from the water meter to the point of use, (herein referred to as the Member's side of the meter), including any premise isolation devices, valves, and other equipment as may be specified by the Corporation. The Corporation does not install any equipment on the Member's side of the meter. The Member is responsible for maintaining the line and all equipment on the Member's side, including without limitation the pipe, fittings, and any other equipment installed by the Member. The use of pipes and pipe fittings that contain more than the weighted average of 0.25% lead and solders and flux that contain 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.

The Corporation does not install pressure relief valves or other pressure-reducing equipment on the Member's side of the meter, nor does the Corporation inspect, maintain, or bear any responsibility for any such valve or equipment installed by Member on Member's side of the meter. If Member chooses to install a pressure relief valve or other pressure-reducing equipment on the Member's side of the meter, Member shall be solely responsible for such installation.

Release. Member hereby waives, releases, and discharges the corporation of any and all liability, claims, demands, actions, or rights of action, or damages of any kind related to, arising from, or in any way connected with, Member's installation, maintenance or failure to maintain, inspect, or replace, of a pressure relief valve or other pressure-reducing equipment on Member's side of the meter, including those allegedly attributed to the negligent acts or omissions of the corporation. If Member chooses to install a pressure relief valve or pressure-reducing equipment on Member's side of the meter, Member willingly assumes full responsibility for any and all risks associated with such valve or equipment and accepts full responsibility for any damages of any kind that may result from such installation, maintenance, and use of such valve or equipment. Member agrees to assume all risk associated with the installation, use, misuse, or failure of such valve or equipment and from Member's failure to timely inspect, maintain, or replace such valve or other equipment.

By execution hereof, 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 to the Corporation, now or in the future, any easements and rights-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. An easement will extend across entire frontage of the property.

By execution of this Service Agreement, Member shall guarantee payment of all other rates, fees, and charges due on any account for which said Member owns a Membership Certificate. Member acknowledges that nonpayment of amounts due to Aqua will result in disconnection of the water service to Member's property. In the event water service is disconnected, a fee set by Aqua in its tariff will be charged and must be paid before service will be reconnected.

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 Aqua's equipment is tampered with or water is taken by means of an unauthorized connection or both, the Member shall forfeit all rights and privileges of membership; the Member shall forfeit all connection and tap rights; the meter shall be removed; and the line tap shall be sealed.

By execution of this Service Agreement, Member agrees that if Member fails to comply with the terms of this Agreement the Corporation shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of the Agreement, shall be billed to and paid by the Member.

Any misrepresentation of fact(s) by the Member on any part of this Agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Each Member must sign this Agreement before the Corporation will begin service. If service to an existing connection has been suspended or terminated, the Corporation will not re-establish service unless it has a signed copy of this Agreement. The Corporation shall maintain a copy of this Agreement as long as the Member and/or the Member's premises are connected to the Corporation.

NOTICE and RELEASE CONCERNING WATER PRESSURE HAZARD

Member expressly acknowledges that Aqua may install a check valve or other backflow prevention device at the meter serving Member's property, and that such device will contain water pressure within Member's private plumbing system. Member further acknowledges and understands that a properly operating pressure relief valve must be installed by Member and maintained by Member at all times on Member's water heater. Member understands that failure to maintain a properly operating pressure relief valve on a water heater is a dangerous practice that can result in personal injury and property damage. Member hereby agrees to waive, release, and hold Aqua harmless from any claims and damages resulting from malfunctioning, failure, or absence of check valves, backflow prevention assemblies, and pressure relief valves on water heaters, including without limitation, damages to persons or property, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, and including those allegedly attributed to the negligent acts or omissions of the corporation.

NOTICE and RELEASE CONCERNING DRIVEWAYS

Member expressly acknowledges that if a concrete or asphalt driveway is installed on the Member's property over an Aqua water line without notifying Aqua in writing and paying Aqua to encase the water line, a leak repair or other maintenance to the water line may result in damage to the driveway for which Aqua will not compensate the Member.

PRIVACY DISCLOSURE

You can request that personal information contained in Aqua WSC's records not be released to unauthorized persons. The Texas Utilities Code authorizes water supply corporations, such as Aqua Water Supply Corporation, to give their Members the option of making the Members' address, telephone number, and social security number confidential as that term is defined under Texas law. This choice by Aqua Water Supply Corporation's Members is important because Aqua Water Supply Corporation may keep a Member's personal information confidential only upon the request of its individual Members. Aqua Water Supply Corporation itself cannot make this confidentiality decision.

Please place a "X" on the line next to the statement below if you would like to request that your confidential information remain confidential and provide your account number, the name of the account holder(s), and your signature.

Unless Aqua WSC receives this Privacy Statement properly executed, your personal information cannot be kept confidential under Texas law. There is not a charge for this service.

Make my personal information (address, telephone number, social security number, etc.) confidential.

Account Number

SIGNATURE

Member / Account Holder (Print Name)

Signature

Aqua Water Supply Corporation (Print Name)

Signature