

AGREEMENT made this ____ day of _____, _____, between LAKE BONANZA WATER SUPPLY CORPORATION, a corporation organized under the laws of the State of Texas (hereinafter called the corporation) and _____ (hereinafter called the Applicant and/or Member),

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the 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. A copy of this agreement shall be executed before service may be provided to the Applicant.

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.

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

- a. The number of taps to be considered in the design and
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing
 - 1) a new water system or
 - 2) expanding the facilities of an existing water system.

The Applicant 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 and the Indication of Interest Fee shall then be converted by the Corporation to a 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 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 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 or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell or sub-meter water to any other persons, dwellings, businesses 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 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 customer service 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 and illegal lead materials.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution that could result from improper practices. This service agreement serves as notice to each customer of the restrictions that 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 air gap 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 air gap or a reduce 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 that allows condensing, cooling or industrial process water to be returned to the public drinking water supply is permitted.**
- d. **No pipe or pipe fitting that contains more than 0.25% lead may be used for the installation or repair of plumbing on or after July 1, 1998, at any connection that provides water for human consumption.**
- e. **No solder or flux that contains more than 0.2% lead may be used for the installation or repair plumbing on or after July 1, 1998, at any connection that provides water for human consumption.**

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 hazards and illegal lead materials. These inspections shall be conducted by the 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 that 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 this agreement shall be billed to the Member.

Emergency Rationing Program as specified in the Corporation's tariff. By execution of this agreement, the Applicant shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to water line breaks by utility or like contractors, tampering by other Members/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 of right-of-way for the purpose of installing, maintaining and operating such pipelines, meters, valves and any other equipment that may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as are required by the Corporation.

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 guarantee 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 pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Current monthly rates are as follows:

_____ Standard Meter - \$27.00 minimum fee
_____ Non Standard Meter - \$361.00 minimum fee
_____ \$3.00 per 1,000 gallons for 1 – 4000 gallons
_____ \$3.50 per 1,000 gallons for 4001 – 8000 gallons
_____ \$4.00 per 1,000 gallons for 8001 – 20000 gallons
_____ \$4.50 per 1,000 gallons for 20001 – 40000 gallons
_____ \$5.00 per 1,000 gallons for 40001 – 50000 gallons
_____ \$5.50 per 1,000 for 50001 gallons and up.

_____ Meters are read at the end of each month, and bills are mailed to customer. Payment is due by the 15th of the following month. Customer may call agent to determine amount due if no bill is received due to postal error. Non-receipt of bill does not constitute non-payment of any amount due. If payment is not received by the due date, a 10-day final disconnect notice is mailed to customer. If payment is not made before date shown on disconnect notice, service may be disconnected and a reconnect fee must be paid in addition to the past due water billing.

_____ ONCE SERVICE IS DISCONNECTED FOR NON-PAYMENT AND ANY DAMAGE OCCURS TO WATER SUPPLY EQUIPMENT IN AN ATTEMPT BY RESIDENT TO OBTAIN WATER SERVICE AFTER DISCONNECTION, THE METER AT THE PROPERTY WILL BE REMOVED. ALL FEES INCURRED MUST BE PAID IN ADVANCE OF SERVICE BEING REINSTATED.

_____ NO CASH IS KEPT IN OUR OFFICE; PAYMENT BY CHECK OR MONEY ORDER ONLY.

AGREED AND ACCEPTED:

(Customer Signature)

(Date)