

Caro WATER SUPPLY CORPORATION SERVICE APPLICATION AND AGREEMENT

Please Print: DATE _____

APPLICANT'S NAME _____

CO-APPLICANT'S NAME _____

CURRENT BILLING ADDRESS: _____

FUTURE BILLING ADDRESS: _____

PHONE NUMBER - Home (____) _____ - _____ Work (____) _____ - _____

E-MAIL ADDRESS _____

PROOF OF OWNERSHIP PROVIDED BY _____

DRIVER'S LICENSE NUMBER OF APPLICANT AND CO-APPLICANT _____

SOCIAL SECURITY NUMBER OF APPLICANT AND CO-APPLICANT _____

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

ACREAGE _____

HOUSEHOLD SIZE _____

NUMBER IN FAMILY _____ LIVESTOCK&NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Please circle one

White, Not of Hispanic Origin	Black, Not of Hispanic Origin	American Indian Alaskan Native	Hispanic	Asian	Other
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Please circle one

Male | Female

EQUAL OPPORTUNITY PROGRAM

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AGREEMENT made this _____ day of _____,
between

Caro 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 as 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 of 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,
and Applicant shall pay an Indication o 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
construction.
 - (1) A new water system or
 - (2) Expanding the facilities of an existing water system.

The Application 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 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 \$450.00 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 or one (1) business. Extension of pipe(s) 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 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, and necessary service lines from the Corporation's facilities and equipment to the point of use, including any 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 Member is required to keep meter box clear of any debris, vegetation, dirt or other items that may block or inhibit access to meter or service inside meter box and area around outside of meter box. Member are required to install a Cut-Off valve on their side of the meter.

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 customer 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 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 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 drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which 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 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

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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.

In the event the total water supply is insufficient to meet all 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 Corporation's Tariff. By execution of this agreement, the Applicant hereby 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 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 of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which 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 Certificate. 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 four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Witness

Applicant Member

Approved and Accepted

Date Approved

**RIGHT-OF-WAY EASEMENT
(GENERAL TYPE EASEMENT)**

KNOW ALL MEN BY THESE PRESENTS, that _____,
(hereinafter called "Grantor"), in consideration of one dollar (\$1.00) paid by Caro Water Supply Corporation located at 3947 State Hwy 204, Nacogdoches, Texas 75964 (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to construct, install and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances, over and across _____ acres of land, more particularly described in instrument recorded in Vol. _____, Page _____, Deed Records, Nacogdoches County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width and shall follow the front property line adjacent and parallel to the public right-of-way.

Grantee shall have the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof, and the rights to abandon-in-place any and all water supply and distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successors or assigns, to move or remove any such abandoned lines or appurtenances.

The consideration recited herein shall constitute payment reasonable damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damage will result from its use to Grantor's premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. Any, and all previous water line easements shall be null and void when this easement goes into effect. The Grantors covenant that they are the owners of the above-described lands and that said lands are free and clear of all encumbrances and liens: _____

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purposes for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

**RIGHT-OF-WAY EASEMENT
(GENERAL TYPE EASEMENT)**

IN WITNESS WHEREOF the said Grantors have executed this instrument on this day
of

_____, 20____

(Grantor)

(Grantor)

(Grantee: President of Caro Water Supply Corporation)

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF NACOGDOCHES

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ (Grantor) known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 20____

(Seal)

NOTARY PUBLIC, NACOGDOCHES COUNTY
STATE OF TEXAS

STATE OF TEXAS

COUNTY OF NACOGDOCHES

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ (Grantee) known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he(he)(they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

(Seal)

NOTARY PUBLIC, NACOGDOCHES COUNTY
STATE OF TEXAS