

SERVICE APPLICATION AND AGREEMENT (CONT'D)

AGREEMENT made this ____ day of _____, 19____,
between The Town of Cut And Shoot a town organized under the laws of the State of Texas
(hereinafter called the Town) and _____, (hereinafter called the
Applicant and/or Customer)

Witnesseth:

The Town shall sell and deliver water and/or wastewater service to the Applicant and Applicant shall purchase, receive, and/or reserve service from the Town in accordance with the Town's Rates and Rules of Operation as amended from time to time by the Town Council of the Town of Cut And Shoot. Upon compliance with said policies, including payment of a Deposit Fee, the Applicant qualifies as a Customer and thereby may hereinafter be called a Customer.

The Customer shall pay the Town for service hereunder as determined by the Town's Rates and Rules of Operation and upon the terms and conditions set forth therein, a copy of which is available at the Town Hall.

The Town Council shall have the authority to cancel the account of any Customer not complying with any policy or not paying any utility fees or charges as required by the Town's published rates, fees, and conditions of service.

If this agreement is completed for the purpose of assigning water 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 Deposit 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 either
 - (1) a new water system or
 - (2) 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 Town's policies, shall further qualify as a Customer and the Indication of Interest Fee shall then be converted by the Town to a Deposit Fee. Applicant further agrees to pay, upon becoming a Customer, the monthly water charges for such service as prescribed in the Town's published rates, fees, and conditions of service. Any breach of this agreement shall give cause for the Town to liquidate, as damages; the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Town may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Town. If delivery of service to said location is deemed infeasible by the Town as a part of this project, the Applicant shall be denied as a Customer in the system 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 Town's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Town's Deposit Fees.

SERVICE APPLICATION AND AGREEMENT (CONT'D)

All water shall be metered by meters to be furnished and installed by the Town. The meter and/or wastewater connection is for the sole use of the Customer and is to provide service to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water 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 Town shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Customer's property at a point to be chosen by the Town, and shall have access to its property and equipment located upon Customer'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 Town shall have the right to remove any of its equipment from the Customer's property.

The Town's authorized employees shall have access to the Customer's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspection to ensure 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 Town 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 Customers, or in the event there is a shortage of water, the Town may initiate the Emergency Rationing Program as specified in the Town's Rates and Rules of Operation. By execution by the Applicant of this agreement, Applicant hereby shall comply with the terms of said Program.

The Customer shall install at his own expense any necessary service lines from the Town'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 Town. The use of pipes and pipe fittings that contain more than 8.0% lead or 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 Town.

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

The Customer shall grant to the Town, 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 such equipment which may be deemed necessary by the Town to extend or improve service for existing or future Customers, on such forms as required by the Town.

SERVICE APPLICATION AND AGREEMENT (CONT'D)

By execution of this Service Application and Agreement, Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant holds. Said guarantee shall pledge any and all Deposit Fees against any balance due the Town. Liquidation of said Deposit Fees shall give rise to discontinuance of water utility service under the terms and conditions of the Town's Rates and Rules of Operation.

By execution of this 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 Town.

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

Applicant/Customer

Witnesseth

Approved and Accepted