

CORPORATION USE ONLY

Work Order Number: _____

Account Number: _____

**SOUTHWEST MILAM
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: _____

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.

Ethnicity: Hispanic or Latino
 Not of Hispanic or Latino

Race: White Black or African American American Indian/Alaska Native
 Asian Native Hawaiian or Other Pacific Islander

Gender: Male Female

AGREEMENT made this _____ day of _____, _____ between
 Southwest Milam 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),

Witnessed:

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 is available for review at the Southwest Milam Water office, upon the request of any 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.

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) Or 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 a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expense 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, 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, 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 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 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 drinking 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 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 are 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 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 Applicant shall grant to the Corporation permanent recorded easement(s) dedicated to the Corporation for the purpose of providing reasonable rights of access and use to allow the Corporation to construct, maintain, replace, upgrade, parallel, inspect, test and operate any facilities necessary to serve that Applicant as well as the Corporation's purposes in providing system wide service for existing or future members.

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,

Applicant / Member (Print name)

Applicant / Member Signature

Southwest Milam W.S.C. Representative

Date Approved

NOTICE AND RELEASE CONCERNING WATER PRESSURE HAZARD

MEMBER EXPRESSLY ACKNOWLEDGES THAT SOUTHWEST MILAM WATER 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 MAINTAINED 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 SOUTHWEST MILAM WATER HARMLESS FROM ANY CLAIMS AND DAMAGES RESULTING FROM MALFUNCTIONING, FAILURE, OR ABSENCE OF CHECKVALVES, BACKFLOW PREVENTION DEVICES, AND PRESSURE RELIEF VALVES, INCLUDING WITHOUT LIMITATION, DAMAGES TO PERSONS OR PROPERTY, DIRECT DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, OR LOSS OF PROFIT OR REVENUE.

Member Signature

Date

NOTICE AND RELEASE CONCERNING DRIVEWAYS

The Corporation requires a member or an applicant to provide notification if a concrete or asphalt driveway is to be installed on the property. If the driveway must cross the Corporation waterline, the member or applicant must pay the cost to encase the waterline. If an applicant's requested water service requires a waterline extension and that waterline extension must pass beneath one or more concrete or asphalt driveways, the applicant must pay the cost to encase the waterline at every driveway location. If a member installs a concrete or asphalt driveway over a corporation waterline without notifying the Corporation in writing and paying the Corporation to encase the waterline, a leak repair or other maintenance to the waterline may result in damage to the driveway for which the Corporation will not compensate the member.

Member Signature

Date

SOUTHWEST MILAM WATER SUPPLY CORPORATION DEFERRED IMPACT FEE PAYMENT AGREEMENT

By execution of this Agreement, the undersigned Member agrees to payments of outstanding debt for water utility service as set forth below:

(Select one)

- 12-month payout:** \$7,656.00 Impact Fee is divided over 12 months, with a monthly payment of \$638.00, plus the monthly bill.

- 24-month payout:** \$7,656.00 Impact Fee is divided over 24 months, with a monthly payment of \$319.00, plus the monthly bill.

Note: The payout selection cannot be altered once the service application is submitted. No interest fees will be incurred for those choosing to pay out their impact fee.

Any member making payments towards the impact fee in excess of the billed monthly amount must specify that the extra payment be applied towards the impact fee payout. Extra payments will be applied to the end of the payout period.

Member agrees to pay \$_____ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff unless other satisfactory arrangements are made by the Member and approved by the Corporation's authorized representative.

Member

Date

Southwest Milam WSC Representative

SOUTHWEST MILAM WATER SUPPLY CORPORATION MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the Southwest Milam WSC provides or is able to provide utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The Southwest Milam WSC does meet the service requirements of the Texas Commission on Environmental Quality and currently holds all authorization or certification required.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Southwest Milam WSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Southwest Milam WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty (30) days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Southwest Milam WSC.

A guarantor and/or mortgagee shall qualify as a bona fide lienholder to the Membership by providing a Deed of Trust*, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lienholder of the Membership and the real property for which Membership was issued. Southwest Milam WSC shall notify the entity so designated in the Deed of Trust*.

Legal Description of Property:

Mortgagee (Lienholder)

Guarantor (If Applicable)

SWM WSC Representative

Date

Note: * Please attach Deed of Trust or other proof of ownership for permanent record.

I, _____, acknowledge that I
have been offered a copy of the SOUTHWEST MILAM WATER SUPPLY
CORPORATION'S TARIFF and BY-LAWS. These two articles are the
CORPORATION'S rules and guidelines.

Signed

Date

Southwest Milam Water Representative

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

RIGHT OF WAY EASEMENT
(General Type Easement)

KNOW ALL MEN BY THESE PRESENTS,

that _____ (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Southwest Milam Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property as well as the Grantee's current and future system-wide customers, under, over and across _____ acres of land more particularly described in instrument recorded in _____, Deed Records, _____ 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 20' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center linethereof being the pipeline as installed. Name of survey _____.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) 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, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply 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.

With respect to the rights conferred on Grantee in (2) of the immediately preceding paragraph, it expressly contemplated that these rights shall be broadly construed in Grantee's favor, and that Grantee shall have no obligation to Grantor for any damages to the pavement or building adjacent to Grantee's water facilities, provided such damage occurs in the normal and prudent course of Grantee's use of this easement.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all 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 damages will result from its use to Grantors' 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. The Grantors covenant that they are the owners of the above-described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND**, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

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

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day
of _____, 20_____.

Signature _____

Signature _____

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

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

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

(Notary Public in and for)

(Seal) _____ County, Texas

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day
of _____, 20_____.

Signature _____

Signature _____

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

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

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

(Notary Public in and for)

(Seal) _____ County, Texas