

## SECTION F: NON-STANDARD SERVICE REQUIREMENTS

1. Corporation's Limitations. All Applicants shall recognize that the Corporation must comply with local, state and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication (see Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (Also see Section F.11.)
2. Purpose—It is the **purpose** of this Section to define the process by which the specific terms and conditions for service to subdivisions are determined including the Developer's and Corporation's respective costs
3. Application of Rules—This Section is applicable to subdivisions, additions to subdivision, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section
4. Non-Standard Service Application—The Applicant shall meet the following requirements **prior to** the initiation of a Service Contract by the Corporation:
  - a. The Applicant shall provide the Corporation a completed Service Application and Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
  - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. **The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities.** Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
  - c. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal and engineering fees shall be paid to the Corporation to study service requirements of the Applicant shall be refunded to the Applicant and Applicant shall pay any additional expenses.
  - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
    - (1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area:

- (2) The service location is not in an area receiving similar service from another utility; and
- (3) The service location is not within another utility's Certificate of Convenience and Necessity.
- (4) If the Corporation extends service under these conditions, the Applicant shall fully support any subsequent efforts by the Corporation to amend its Certificate of Convenience and Necessity to include the applicant's property within the service area.**

5. Design—The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:
- a. The Corporation's Consulting Engineer shall design all service facilities for the codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within the enforced extra territorial jurisdiction of a municipality.
  - b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard service Investigation Fee allotted for engineering services. **If the fee for the Engineer's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.**
  - c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
  - d. **If no governmental authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as plated and/or requested in the plans or plat submitted in application for service.** The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such upgrading in excess of the Applicant's facility requirements.
6. Non-Standard Service Contract—All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
  - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
  - c. Equity Buy-In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
  - d. Monthly Reserved Service Charges as applicable to the service request.
  - e. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
  - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.

- a. Terms by which the Corporation shall administer the Applicant's project with respect to:
- 1) Design of the Applicant's service facilities;
  - 2) Securing and qualifying bids;
  - 3) Execution of the Service Agreement;
  - 4) Selection of a qualified bidder for construction;
  - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
  - 6) Inspecting construction of facilities; and
  - 7) Testing facilities and closing the project.
- b. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connections with the project contemplated.
- c. Terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
- d. Terms by which the Applicant shall grant title or easement for right of ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.
- e. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
7. Property and Right-of-Way Acquisition—With regard to construction of facilities, the Corporation shall require private right-of-way easements or private property as per the following conditions:
- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant make good faith efforts to secure easements or title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant. (See Sample Application Packet RUS Form 442-8 or 442-9.)
  - b. All facilities required to be installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-way, or subject to the cost of installation under condemnation procedures, whichever is most desired by the Applicant.
  - c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.
  - d. Easement and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.
8. Bids for Construction—The Corporation's Consulting engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted

practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder in accordance with the following criteria;

- a) The Applicant shall sign the Service contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
  - b) The Contractor shall provide an adequate bid bond under terms acceptable to the Corporation;
  - c) The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
  - d) The Contractor shall supply favorable references acceptable to the Corporation;
  - e) The Contractor shall qualify with the Corporation as competent to complete the work; and
  - f) The Contractor shall provide adequate certificates of insurance as required by the Corporation.
9. Pre-Payment for Construction and Service—After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.
10. Construction
- a) All roadwork pursuant to federal, state, county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
  - b) The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that Corporation standards are achieved.
  - c) Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.
11. Service within Subdivision—The Corporation's objective to provide service to any customer located within subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchasers of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the Corporation but may have recourse to the Applicant/Developer.
12. Service Connections with Potential Hazardous Conditions—Application for new service with special water needs which create high risk for hazardous conditions from back-flow shall require installation of a back-flow control device. In addition, a change in service needs at an existing connection which create high risk for hazardous conditions from back-flow shall require installation of a back-flow control device. Determination of risk and selection

of device shall be by the Corporation's representative holding Department of Health Certificate of Competency, with professional consultation as needed. The applicant/member shall be assessed the cost of back-flow device and any extra installation costs incurred by the Corporation.

13. Accessibility—

- a) All mains constructed on private right-of-way shall be constructed along public road frontage.
- b) Each meter shall be installed on the parcel of land designated by the Membership Application and approved for Membership and Service.

## NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND SERVICE EXTENSION POLICY OF NAVARRO MILLS WATER SUPPLY CORPORATION

Pursuant to Chapter 13.2502 of the Texas Water Code, Navarro Mills Water Supply Corporation hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Navarro Mills Water Supply Corporation, Certificate of Convenience and Necessity No. 10779, in Navarro County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water connections on a single contiguous tract of land must comply with the Non-Standard Service Requirements (the "Subdivision Policy") contained in the Navarro Mills Water Supply Corporation's tariff.

Navarro Mills Water Supply Corporation is not required to extend retail water utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Applicable elements of the Subdivision include:

Evaluation by Navarro Mills Water Supply Corporation of the impact a proposed Subdivision service extension will make on Navarro Mills Water Supply Corporation and payment of the costs for this evaluation.

Payment of reasonable costs or fees by the developer for providing water supply service capacity;

Payment of fees for reserving water supply capacity;

Payment of costs of any improvements to Navarro Mills Water Supply Corporation's system that are necessary to provide the water service;

Construction according to design approved by Navarro Mills Water Supply Corporation and dedication by the Developer of water facilities within the subdivision following inspection.

Navarro Mills Water Supply Corporation's tariff and a map showing Navarro Mills Water Supply Corporation's service area may be reviewed at Navarro Mills Water Supply Corporation's office at 1160 FM 667, Purdon, TX 76679. The tariff policy and service area map also are filed on record at the Texas Commission on Environmental Quality in Austin, Texas and may be reviewed by contacting the TCEQ, c/o Utility Rates and Services Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

NAVARRO MILLS WATER SUPPLY CORPORATION (New form 4/2014)  
NON-STANDARD SERVICE APPLICATION

Please Print or Type

Applicant's name/Company \_\_\_\_\_

Address/City/State/ZIP: \_\_\_\_\_

Phone number (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ FAX (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

E-mail \_\_\_\_\_

Please attach a legal description of the proposed development as listed in deed records as a filed plat or parcel of land where other types of non-standard water/sewer service is requested. Plat requirements include: name of subdivision, owner/developer's name, lot sizes and lot lines, lot numbers, right of way dimensions and dedicated utility easements, legal description, highway and county road numbers, total acreage, adjoining property owners, flood plain, and vicinity map. Instrument must show proof of ownership; preliminary plats are acceptable for discussion purposes but an "approved plat" must be provided before contract closing.

Check type of service application or development:

- Residential Subdivision     Multi-family     Mobile Home Park     Trailer Park     School  
 Line Extension     Commercial/Industrial Park     Large Meter (>1")  
 Multi-use Facility     Other

Please list all water demand criteria for each meter or meter equivalent, or attach any engineering studies completed for the proposed service:

\_\_\_\_\_  
\_\_\_\_\_

Maximum number of proposed lots: \_\_\_\_\_ Range of standard lot sizes: \_\_\_\_\_

Acreage \_\_\_\_\_

Please describe in detail the nature and scope of the project/development.

Initial needs \_\_\_\_\_  
\_\_\_\_\_

Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.

\_\_\_\_\_  
\_\_\_\_\_

Please list any additional special service needs not listed above.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please provide the flow, pressure and infrastructure needs for anticipated level of fire protection requested or required by ordinance, including line sizes and capacity.

\_\_\_\_\_  
\_\_\_\_\_

Please provide the timeline for initiation of this service, and for service to each additional or projected phase following initial service, including a schedule of events leading up to the anticipated date of service. Specify this for all additional or projected phases.

\_\_\_\_\_

Please describe how the utility may access the property during evaluation of application.

\_\_\_\_\_

**Please attach the following information, as applicable:**

- A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy.
- If applying for a single tap that requires a line extension, road bore, or upsizing of facilities, maps or plans detailing the location of the requested service installation and/or extension and details of demand requirements.

**Required Fees**

Applicant is required to pay a Non-Standard Service Investigation Fee of \$2,500.00 to the Corporation in accordance with Section G of the Corporation's tariff for purposes of paying initial administrative, legal, and engineering fees. The Corporation will refund any balance that remains after it has completed its service investigation, and has completed all legal and engineering services associated with processing a request.

In the event the Investigation Fee is not sufficient to pay all expenses incurred by the Corporation, the Applicant agrees to pay all additional expenses that have been or will be incurred by the Corporation and Corporation will have no obligation to complete processing of the Applications until all remaining expenses have been paid.

**Corporation's response to service request**

The Corporation will prepare a written response to Applicant's service request within 90 days from the date the application was submitted and the required fees were paid. The Corporation's response will state the timeframe within which the requested service can be provided, and the costs for which the Applicant will be responsible, which may include capital improvements, easements or land acquisition costs, and professional fees.

*Applicant has received and reviewed Section F of the Corporation's tariff and agrees to comply with all the requirements contained therein.*

*Under penalties of perjury, I declare that I have reviewed the information presented in this Application, including accompanying documents, and to the best of my knowledge and belief, the information is true, correct and complete.*

\_\_\_\_\_  
Print Applicant/Name of Company

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

For Corporation Use Only
_____ Date application received
_____ Amount Fees Paid / Date Paid
_____ Signature WSC staff member



# NAVARRO MILLS WATER SUPPLY CORPORATION

## NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

THIS CONTRACT is made and entered into by and between \_\_\_\_\_, hereinafter referred to as "Applicant", and **Navarro Mills Water Supply Corporation**, hereinafter referred to as "WSC" or "Corporation".

WHEREAS, Applicant is engaged in developing that certain \_\_\_\_\_ acres of land in \_\_\_\_\_, County, Texas, more particularly known as the \_\_\_\_\_ subdivision, according to the plat thereof recorded at Vol. \_\_\_\_\_, Page \_\_\_\_\_ of the Plat Records of \_\_\_\_\_ County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, Applicant has requested WSC to provide such water service to the Property through an extension of WSC's water system, which includes all on-site and off-site service facilities to meet the level and manner of service requested by the Applicant, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Applicant and WSC agree and contract as follows:

1. **Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development as provided to WSC by the Applicant. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Applicant for any such oversizing as provided below.

2. **Required Sites, Easements or Rights-of-Way.**

- (a) Applicant shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (b) Any easements acquired by the Applicant shall be in a form approved by the WSC (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to WSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Applicant acquires any such easements and by which Applicant assigns such easements to WSC must be approved by WSC's attorney.

3. **Construction of the Water System Extension**

- (a) Applicant shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC. WSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Applicant must give written notice to WSC of the date on which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. **Dedication of Water System Extension to WSC.**

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall become the property of the WSC. The Water System Extension shall thereafter be owned and maintained by WSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by the WSC.
- (b) Upon transfer of ownership of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for \_\_\_\_ months following the date of the transfer.

5. **Cost of the Water System Extension.**

- (a) Applicant shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
  - (1) engineering and design;
  - (2) easement or right -of-way acquisition;
  - (3) construction;

- (4) inspection;
  - (5) attorneys' fees; and
  - (6) governmental or regulatory approvals required to lawfully provide service.
  - (7) Applicant shall indemnify WSC and hold WSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Applicant to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC.
  - (c) If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Applicant for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three annual installments without interest beginning one year after dedication of the Water System Extension to WSC.

6. **Service From the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to WSC, WSC shall provide continuous and adequate water service to the Property, subject to all duly adopted rules and regulations of WSC and the payment of the following:
  - (1) All standard rates, fees and charges as reflected in WSC's approved tariff;
  - (2) Any applicable Equity Buy-In fee adopted by WSC;
- (b) It is understood and agreed by the parties that the obligation of WSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of WSC is obtained, the Applicant shall not:
  - (1) construct or install additional water lines or facilities to service areas outside the Property;
  - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
  - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

7. **Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual

obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

**8. Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the WSC shall be addressed:

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Any notice mailed to Applicant shall be addressed:

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Either party may change the address for notice to it by giving **written** notice of such change in accordance with the provisions of this paragraph

**9. Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

10. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

11. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

12. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

13. **Mediation. [Optional]**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

14. **Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

15. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become

necessary or convenient to effectuate and carry out the intent of this Contract.

16. **Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

17. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

18. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

19. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

20. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the WSC and the Applicant, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

21. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in \_\_\_\_\_ County, Texas.

22. **Venue.**

Any action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in \_\_\_\_\_ County, Texas.

23. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

24. **Assignability.**

The rights and obligations of the Applicant hereunder may not be assigned without the prior written consent of the WSC.

25. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Navarro Mills Water Supply Corporation

APPLICANT

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_