

LEGAL NOTICE

HOG CREEK WATER SUPPLY CORPORATION, with principal offices at _____, Valley Mills, TX 76689, has adopted a Service Extension Policy as set forth in its Tariff on file with the Texas Commission on Environmental Quality, and available at the offices of the Corporation.

Developers of subdivisions within the certified area of the Corporation (Certificate No. 10035) are hereby given notice of the requirement to comply with the Company's Subdivision Service Extension Policy in order to receive water utility service from the Corporation. Developers of subdivisions may obtain copies of the Subdivision Service Extension Policy by writing to the office of the Company at P O Box 645, Valley Mills, Tx 76689.

Generally, the Corporation's Subdivision Service Extension Policy requires a developer to make application for service, the application to be accompanied by a plat showing the requested service area, approved by all regulatory authorities, and showing details of requested water tap locations and demand requirements. A non-standard service application fee of \$2,000.00 must be paid at the time of the application. If additional costs are incurred by the Corporation in connection with the application and service investigation, the applicant must pay those costs. The Corporation, through its Engineer, shall develop plans, specifications and estimated costs for the proposed project. If the applicant elects to proceed, the applicant will enter into a non-standard service contract with the Corporation. The Contract shall include provisions for payments, costs of administration, design, construction and inspection of facilities, any reserved service, requirements for capital contributions, indemnity of the Corporation by the applicant from third party claims and suits, and delivery of title to completed facilities. The applicant shall furnish easements and titles to real property as required by the Corporation. The Corporation, through its Engineer, shall let bids for construction of the project, upon contract terms set by the Corporation, and all costs of completion of the project shall be pre-paid by the applicant to the Corporation.

Interested developers and prospective applicants must refer to the Subdivision Service Extension Policy for detailed requirements, and may not rely upon the general description set out above.

HOG CREEK WATER SUPPLY COORPORATION

By: Ron Poston, President