

NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND
SERVICE EXTENSION POLICY OF
VIRGINIA HILL WATER SUPPLY CORPORATION

Pursuant to Chapter 13.2502 of the Texas Water Code, Virginia Hill 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 Virginia Hill Water Supply Corporation, Certificate of Convenience and Necessity No. 10852, in Henderson 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 service connections on a single contiguous tract of land must comply with the Developer, Subdivision and Non-Standard Service Requirements (the "Subdivision Policy") contained in Virginia Hill Water Supply Corporation's Tariff.

Virginia Hill 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 Policy include:

Evaluation by Virginia Hill Water Supply Corporation of the impact a proposed subdivision service extension will make on Virginia Hill Water Supply Corporation's water supply system 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;

Forfeiture of reserved water supply capacity for failure to pay applicable fees;

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

Construction according to design approved by Virginia Hill Water Supply Corporation and dedication by the developer of water facilities within the subdivision following inspection.

Virginia Hill Water Supply Corporation's Tariff and a map showing Virginia Hill Water Supply Corporation's service area may be reviewed at Virginia Hill Water Supply Corporation's office at 707 E. College St., Athens, Texas; the Tariff and service area map also are filed of 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.

SIGNATURE OF APPLICANT

SIGNATURE OF CO-APPLICANT

DATE SIGNED