

NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND SERVICE EXTENSION POLICY OF EAST RIO HONDO WATER SUPPLY CORPORATION

Pursuant to Chapter 13.2502 of the Texas Water Code, East Rio Hondo 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 East Rio Hondo Water Supply Corporation, Certificate of Convenience and Necessity No. 11552, in Cameron 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 or sewer service connections on a single contiguous tract of land must comply with "Section F, Developer, Subdivision, and Non-Standard Service Requirements" (the "Subdivision Policy") contained in East Rio Hondo Water Supply Corporation's tariff.

East Rio Hondo Water Supply Corporation is not required to extend retail water or sewer 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 East Rio Hondo Water Supply Corporation of the impact a proposed subdivision service extension will make on East Rio Hondo Water Supply Corporation's water/sewer service system and payment of the costs for this evaluation;

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

Payment of fees for reserving water supply/sewer capacity;

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

Payment of costs of any improvements to East Rio Hondo Water Supply Corporation's system that are necessary to provide the water/sewer service;

Construction according to design approved by East Rio Hondo Water Supply Corporation and dedication by the developer of water/sewer facilities within the subdivision following inspection.

East Rio Hondo Water Supply Corporation's tariff and a map showing East Rio Hondo Water Supply Corporation's service area may be reviewed at East Rio Hondo Water Supply Corporation's offices, at 206 Industrial Parkway, Rio Hondo, Texas 78583. The tariff/policy and service area map are also filed on record at the Public Utility Commission of Texas in Austin, Texas and may be reviewed by contacting the PUCT, Water Utilities Division, P.O. Box 13326, Austin, Texas 78711-3326.