

LCRA Domestic Use Contract Standard Terms and Conditions

1. Domestic Use Only. PURCHASER shall have the right to withdraw from the specified lake up to the Maximum Annual Quantity specified for domestic use only. For purposes of this contract, the term "domestic use" shall have the meaning given it by the Texas Commission on Environmental Quality (TCEQ), or any successor agency, in 30 Tex. Admin. Code § 297.1(18), as it may be amended from time to time. The water made available under this contract is raw, untreated water as described in section 2, below.

2. Quality of Water. LCRA makes no representation as to the quality of the raw water supplied under this contract. PURCHASER acknowledges and agrees that the raw water supplied under this contract may require treatment for PURCHASER's use of the water, particularly in the event that the water will be used for human consumption, and PURCHASER accepts all responsibility for the treatment of the raw water supplied under this contract. PURCHASER further acknowledges and agrees that it is solely responsible for compliance with any federal, state and/or local laws or ordinances that may impose requirements for the treatment of raw water supplied under this contract. PURCHASER HEREBY RELEASES LCRA AND AGREES TO HOLD IT HARMLESS FROM ANY AND ALL CLAIMS THAT PURCHASER OR USERS OF ITS WATER HAVE OR MAY HAVE AGAINST LCRA AS A RESULT OF THE QUALITY OF WATER SUPPLIED UNDER THIS CONTRACT REGARDLESS OF WHETHER CAUSED BY ANY ACT OR FAILURE TO ACT BY LCRA, ITS AGENTS OR EMPLOYEES, WHETHER NEGLIGENT OR OTHERWISE, INCLUDING BUT NOT LIMITED TO THE ISSUANCE OR APPROVAL BY LCRA OF ANY PERMIT OR AUTHORIZATION UNDER THE LCRA'S HIGHLAND LAKES MARINA ORDINANCE, HIGHLAND LAKES WATERSHED ORDINANCE, ON-SITE SEWAGE FACILITIES PROGRAM RULES, OR ANY SIMILAR RULES THAT MAY BE PROMULGATED HEREAFTER, AS ANY SUCH RULES MAY BE AMENDED FROM TIME TO TIME.

3. Availability of Water. (a) LCRA is committing to make available to PURCHASER under this contract a portion of LCRA's firm water supply, as defined in LCRA's Water Contract Rules; provided, however, LCRA may interrupt or curtail the water supplied under this contract as required by state law or in accordance with LCRA's Water Management Plan, as such Plan and any amendments thereto have been approved and may be approved in the future by the TCEQ. While LCRA will provide firm water under this contract, the PURCHASER understands that during a Drought Worse than Drought of Record as described in LCRA's Water Management Plan, LCRA will allocate water pro rata among its customers, including PURCHASER.

(b) Purchaser agrees to adhere to the LCRA drought contingency plan applicable to Domestic Use Contracts as such plan may be amended from time to time. This plan includes watering schedules during normal and drought conditions. The plan is available at www.lcra.org/domesticuse.

(c) LCRA is responsible for making water available under this contract only up to the Maximum Annual Quantity (MAQ). LCRA makes no guarantee that the water made available under this contract will be available at any particular time or place or that any LCRA owned/operated reservoir or the Colorado River will be maintained at any specific elevation or flow at any particular time. Furthermore, PURCHASER acknowledges and agrees that LCRA's obligations under this contract shall not require LCRA to make additional releases of water from LCRA firm water supplies beyond the MAQ or to make releases to raise the water elevations or flows at the Points of Diversion at a particular time sufficient for PURCHASER's intake and/or diversion facilities to operate.

4. Payment. (a) PURCHASER shall pay LCRA in advance for the water made available under this contract on an annual basis, in an amount equal to the MAQ times the "Water Rate" in effect for the use provided under this contract, currently \$155 per acre-foot. LCRA shall mail an invoice to PURCHASER for water made available in the initial year of this contract.

(b) PURCHASER understands and acknowledges that the Water Rate set forth in this contract has been approved by LCRA's Board of Directors, and that the Board may change all rates, fees and charges under the contract from time to time.

(c) LCRA shall mail an invoice to PURCHASER for payment for water made available to PURCHASER in subsequent years under this contract, and such invoice shall reflect any revision to the Water Rate and the effective date of the revised Water Rate.

(d) PURCHASER shall pay LCRA for water provided under this contract in the amount of each invoice submitted to PURCHASER by LCRA on or before thirty (30) days from the date of the invoice. PURCHASER shall mail checks for payments to the address indicated on the invoice.

(e) Payment must be received not later than the date provided in the invoice in order not to be considered past due or late. In the event PURCHASER fails to make payment by the date provided, LCRA, at its sole option, may terminate this contract immediately without further notice to PURCHASER. In the event PURCHASER attempts to pay LCRA by check, draft, credit card or any other similar instrument and the instrument is returned or refused by the bank or other similar institution as insufficient or non-negotiable for any reason, PURCHASER will be assessed and must pay to LCRA, per each returned instrument, the LCRA's current returned instrument fee in addition to all other payments required under the invoice or else this contract can be terminated automatically without further notice to PURCHASER.

(f) Payments on invoices will not be refunded or prorated, with the exception of payments made that exceed the amount due, which will result in a credit on the account.

5. Indemnification. PURCHASER WILL INDEMNIFY AND HOLD LCRA HARMLESS FROM ALL CLAIMS OF INJURY OR DAMAGE TO ANY PERSON OR PROPERTY RESULTING FROM ANY ACTION (OR FAILURE TO ACT) BY PURCHASER UNDER THIS CONTRACT.

6. Regulatory Approval. PURCHASER agrees to obtain or cause to be obtained all permits, certificates, or approvals required by applicable local, state or federal agencies for any activity undertaken in conjunction with the use of the water under this contract. This contract shall not be construed or interpreted to grant any privilege or right not specifically pronounced herein, including but not limited to the use of private property, the right to dispose of effluent, the right to use LCRA property, or the right of access to the Colorado River or Highland Lakes.

7. Maps. PURCHASER agrees to provide LCRA with a map of the diversion point and property where water is used upon request by LCRA.

8. Termination. PURCHASER may terminate this contract at any time, with no right to refund of amounts paid. PURCHASER agrees that non-compliance with the terms of this contract or any misrepresentation of the facts by the PURCHASER to LCRA (including, but not limited to, information provided in PURCHASER's application) constitutes grounds for LCRA to terminate this contract. Should PURCHASER fail to make any payment as described above, this contract is subject to automatic termination without further notice to PURCHASER, and PURCHASER shall have no further right to use water under this contract.