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

Pursuant to Chapter 13.2502 of the Texas Water Code, Gholson 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 Gholson Water Supply Corporation Certificate of Convenience and Necessity No. 11194 in Hill and McLennan Counties, into two or more lots of sites for the purpose of sale or development, whether immediate or future, including resubdivision 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 Subdivision service extension policy contained in Gholson Water Supply Corporation's tariff.

Gholson Water Supply Corporation is not required to extend retail water 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 Gholson Water Supply Corporation of the impact a proposed subdivision service extension will make on Gholson 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 service capacity for failure to pay applicable fees;

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

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

Gholson Water Supply Corporation's tariff and a map showing Gholson Water Supply Corporation's service area may be viewed at Gholson Water Supply Corporation's office at 12520 Gholson Rd. Waco, TX 76705. 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.