

Ro

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No. 285, hereby certify as follows:

1. The Board of Directors of Harris County Municipal Utility District No. 285 convened in regular session on the 12th day of January, 2010, at one of the regular meeting places outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Jerry L. Allen	President
Roy Adame, Jr.	Vice President
Chand Khan	Secretary/Investment Officer
Walter A. Knowles, Jr.	Asst. Vice President/Investment Officer
Ephraim Q. Connerly III	Assistant Secretary/Investment Officer

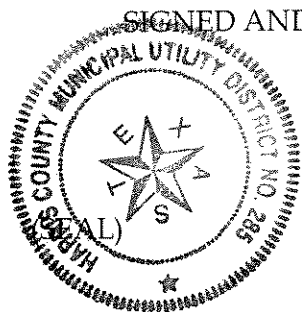
and all of said persons were present except Director Knowles, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written


RATE ORDER

was introduced for the consideration of the Board. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 12th day of January, 2010.




Secretary, Board of Directors

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285
RATE ORDER**

(Effective January 12, 2010)

WHEREAS, Harris County Municipal Utility District No. 285 (the "District") owns and operates a water, sewer, and drainage system to provide service to residential and commercial establishments within the District; and

WHEREAS, the Board of Directors deems it necessary at this time to amend the rates and charges and regulations for receiving water, sewer, and drainage service from the District; Now, therefore

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 285 THAT:

Section 1: Definitions.

A. "Single-Family Residential User" shall mean any user of the District's water and sewer system that consists of one residence designed for use and occupancy by a single-family unit.

B. "Multi-Family Residential User" shall mean any user of the District's water and sewer system that consists of a building designed for use and occupancy by more than one single-family unit, including, but not limited to, apartments, townhouses, and other multi-family dwelling units.

C. "Commercial User" shall mean any user of the District's water and sewer system that is not a Single-Family Residential User or a Multi-Family Residential User, including, but not limited to, commercial establishments, churches, schools, and clubs.

Section 2: Water and Sewer Rates. The following minimum rates and charges for the supply of water and the collection and disposal of sewage for the first 10,000 gallons of water usage shall be in effect, based on the meter type, for all users within the District (except for water usage during construction and water usage by a Multi-Family Residential User, both of which are addressed below) from the effective date of this Order:

<u>Meter Type</u>	<u>Minimum Monthly Charge</u>
Single-Family Residential User	\$ 37
Commercial	
1 inch	\$ 42
1-1/2 inch	\$ 245

2 inch	\$ 295
3 inch & larger	\$ 795

Water Service Rates Over Minimum

A. A Single-Family Residential User shall be charged monthly for water usage in excess of 10,000 gallons at the rate of \$1.50 per 1,000 gallons.

B. A Commercial User shall be charged monthly for water usage in excess of 10,000 gallons as follows:

10,001 to 100,000 gallons	\$2.00 per 1,000 gallons
100,001 to 200,000 gallons	\$2.50 per 1,000 gallons
200,001 to 500,000 gallons	\$3.50 per 1,000 gallons
500,001 to 1,000,000 gallons	\$4.00 per 1,000 gallons
Over 1,000,000 gallons	\$5.00 per 1,000 gallons

Sewer Service Rates Over Minimum

A. A Single-Family Residential User shall be charged monthly for sewer service based on water usage in excess of 10,000 gallons at the rate of \$1.50 per 1,000 gallons.

B. A Commercial User shall be charged monthly for sewer service based on water usage in excess of 10,000 gallons as follows:

10,001 to 100,000 gallons	\$2.00 per 1,000 gallons
100,001 to 200,000 gallons	\$2.50 per 1,000 gallons
200,001 to 500,000 gallons	\$3.50 per 1,000 gallons
500,001 to 1,000,000 gallons	\$4.00 per 1,000 gallons
Over 1,000,000 gallons	\$5.00 per 1,000 gallons

Section 3: Multi-Family Residential Water and Sewer Rates. Each multi-family building that is served by a single meter shall be charged monthly at the minimum rate of \$30.00 times the number of units within the building. Water usage in excess of 8,000 gallons per unit per month shall be charged at the rate of \$2.00 per 1,000 gallons and sewer service in excess of 8,000 gallons per unit per month shall be charged at the rate of \$2.00 per 1,000 gallons.

The owner of a multi-family residential building shall report the initial occupancy of the multi-family residential building to the District's operator. The building shall be considered occupied when the first multi-family residential unit is occupied; during the 3-month period immediately following such initial occupancy, the building shall be deemed to be 50% occupied for the calculation of units served and will

be billed accordingly. After the initial 3-month period following such initial occupancy, such building shall be deemed to be 100% occupied for the calculation of units served and will be billed accordingly.

Section 4: Construction Rate. During construction of a residence and prior to initial occupancy by a Single-Family Residential User, a homebuilder shall be charged a monthly flat rate of \$20.00 for water service. Upon completion of construction and initial occupancy, a Single-Family Residential User shall pay water and sewer rates according to usage, as set forth above.

During construction of any improvement that is not a Single-Family Residential User, the User shall be charged \$1.30 per 1,000 gallons of water usage.

Section 5: Amenity Lakes. Water used to fill amenity lakes in the District, which water usage must be metered, will be charged at the rate of \$1.30 per 1,000 gallons. There will be no related charge for sewer service on water used to fill amenity lakes.

Section 6: Irrigation Systems. Metered water connections authorized by the District and established solely for the purpose of providing water to irrigation systems shall be charged monthly for water usage at the rate of \$1.30 per 1,000 gallons. There shall be no sewer service charge for irrigation meters.

Section 7: Tap Fees.

A. Prior to the connection of a Single-Family Residential User to the District's water system with a water meter that is 3/4" by 5/8", a tap fee shall be paid to the District of \$1,185.00 plus the actual costs incurred by the District to repair or restore any yards, sidewalks, streets, or other improvements affected by the installation.

B. Prior to the connection of a Single-Family Residential User to the District's water and/or sewer system with a water meter that is larger than 3/4" by 5/8", a tap fee equal to three (3) times the District's actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, streets, or other improvements affected by the installation shall be paid to the District.

C. Prior to the connection of a Multi-Family Residential User or a Commercial User that is not exempt from the payment of ad valorem property taxes under Texas law, a tap fee equal to three (3) times the cost to the District of installing the tap, meter, and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, or other improvements affected by the installation shall be paid to the District.

D. Prior to the connection of a Multi-Family Residential User or a Commercial User that is exempt from the payment of ad valorem property taxes under

Texas law, a tap fee equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, or other improvements affected by the installation plus such User's pro rata share of the District's actual cost of the facilities necessary to provide District services to such User that are financed or to be fully or partially financed by the District's tax bonds (as determined by the District's consultants and approved by the Board of Directors) shall be paid to the District.

E. Prior to the connection of an irrigation system to the District's water system, a tap fee equal to the District's actual cost for installation plus the cost of the meter shall be paid to the District for irrigation systems that have been authorized by the District and that are to be used solely for the purpose of providing irrigation water to landscaped areas within the District.

F. All connections to the District's water system shall be made by a representative of the District. Connections to the District's water system shall not be allowed prior to an approved sewer inspection as provided in this Rate Order.

Section 8: Transaction Fee. After completion of construction of any improvement to be connected to the District's water and/or sewer system, a one-time, nonrefundable fee of \$15.00 shall be charged to each applicant for service at such improvement, payable at the time of making application for service, said fee to cover the costs of opening the new account.

Section 9: Regulatory Assessment. Pursuant to Section 5.235 of the Texas Water Code, each connection to the District's water and/or sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is included in the rate schedules listed above and will be forwarded to the Texas Commission on Environmental Quality for use in paying costs and expenses incurred in its regulation of water districts.

Section 10: Sewer Inspections. All connections to the District's sewer system shall be made in accordance with the provisions of the Rules and Regulations Governing Sewer House Lines and Sewer Connections. All connections to the District's sewer system shall be inspected by a representative of the District prior to being covered in the ground. In the event a connection is made and covered without inspection by a representative of the District, water service at such location shall be terminated. An inspection fee of \$50.00 shall be paid to the District to cover the cost of making inspections of single-family and multi-family residential sewer connections, and a fee of \$75.00 shall be charged by the District for the expense of making inspections of all other sewer connections.

Section 11: Maintenance and Repair. It shall be the responsibility of each user to maintain the water and sewer lines from the point of connection to the District's

water and sewer system to the improvement served.

Section 12: Backcharges to Builders.

A. Pre-Facility Inspection. All builders or contractors for property owners within the District must contact the District's operator, prior to starting any work on property within the District, to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the operator will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of the inspection report will be given to the builder's or contractor's representative. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the final site survey described below. The cost for each inspection is \$50.00 and must be paid with payment of the tap fee.

B. Final Site Survey. After construction has been completed on the property, but before service is transferred to a User, the District's operator will conduct a final site survey to inspect the water tap, meter and all other District facilities on the property for a fee in the amount of \$50.00, which must be paid with payment of the tap fee. The property owner, builder, or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges") before service shall be initiated to a User. If any reinspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee in the amount of \$50.00 shall be charged for each such reinspection before service will be transferred to a subsequent User. Payment of the Backcharges, and any inspection or reinspection fees, shall be made on or before the due date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any User, property owner, builder or contractor who has failed to timely pay for the Backcharges, inspection, or reinspection fees, including specifically the provision of additional taps.

Section 13: Security Deposits.

A. Single-Family Residential User. Prior to receiving service from the District's water and/or sewer system after the initial construction period, a Single-Family Residential User shall pay to the District a deposit of \$50.00. A Single-Family Residential User that has been disconnected because of failure to make timely payments for water and/or sewer service shall pay an increased deposit equal to two months of said customer's billing, based on a 12-month average, prior to the restoration of service; provided, however, in no case shall a Single-Family Residential User be required to provide a total deposit in an amount greater than the two months' billing amount, in spite of more than one disconnection.

B. Multi-Family Residential and Commercial Users. Prior to receiving service from the District's water and/or sewer system after the initial construction period, a Multi-Family Residential or a Commercial User shall pay to the District a deposit based on a two-month estimated billing. A Multi-Family Residential or Commercial User that has been disconnected because of failure to make timely payments for water and/or sewer service shall pay an additional deposit equal to additional two months of said customer's billing, based on a 12-month average, prior to the restoration of service, but in no case shall the deposit be less than the amount of the initial deposit; provided, however, in no case shall a Multi-Family Residential or Commercial User be required to provide a total deposit in an amount greater than four months' billing amount, in spite of more than one disconnection.

C. Refund. The deposit provided pursuant to this Section shall be refunded to any customer within thirty (30) days from the time said customer applies for a refund of the deposit, provided that said customer is discontinuing service to that location and provided that said customer has paid all water and/or sewer service charges due to the District for service to that location. No interest shall be paid on any deposit.

D. Builder Deposits. A \$2,500.00 deposit shall be required per builder prior to making any water taps for said builder. The deposit described herein may be applied by the District to the cost of repair of any damage caused to District property by the builder or builder's agent, whereupon it will be the builder's responsibility to reinstate the original amount of the deposit prior to the District's operator making any additional water taps for said builder. Said deposit will be refunded by the District upon completion of the building program of said builder; provided, however, that the deposit shall be forfeited as a penalty in the event any provision of this Rate Order or the District's Rules and Regulations Governing Sewer House Lines and Sewer Connections, as may be amended from time to time, is violated.

Section 14: Easements. Before service is begun to any user or once begun but before reconnection is made, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repair as the District, in its judgment, may deem necessary.

Section 15: Platting. Prior to initial connection to the District's water, sewer, or drainage systems, any user shall submit to the District's Operator proof that the user's property has been platted in accordance with the subdivision ordinances of the City of Houston. Acceptable proof of platting includes a copy of the recorded plat or a certificate from the City of Houston that the property has been platted or that the property is legally exempt from the platting process.

Section 16: Plumbing Material Restrictions.

A. Prohibition on Use of Specified Materials. The use of the following

plumbing materials are prohibited in any and all improvements connected to the District's water system after June 14, 1994:

- (a) Any pipe or pipe fitting which contains more than 8.0% lead; and
- (b) Any solder or flux which contains more than 0.2% lead.

Section 17: Approval of Plans. Before any connection, other than a Single-Family Residential User connection, is made to the District's water, sewer, or drainage system, or before any reconnection is made, the person requesting such connection shall submit to the District's engineer for review and approval the water, sanitary sewer, and drainage plans and specifications for the property for which the connection is sought. Such plans shall clearly show the estimated volumes of water or effluent and the proposed points of connection to the District's system. A copy of such approved plans, with the engineer's approval indicated thereon, shall be submitted to the District's operator. Any modification of such plans shall require reapproval by the District's engineer. The District reserves the right to require removal of any connection made in violation of this Section.

Section 18: Billing and Late Payment Penalty. Charges for water and sewer service, and any other charges provided for in this Rate Order, shall be billed monthly. All bills shall be payable on the due date of the invoice for said charges. Unless payment is received on or before the due date of such invoice, such account shall be considered delinquent and a penalty of 10% of the unpaid balance shall be assessed against the account.

Section 19: Termination and Reconnection of Service. The District may, in its discretion, disconnect service for failure to pay all charges by the due date of the invoice for such charges and may, in its discretion, disconnect service for violation of this Order; provided, however, that prior to disconnecting services, the District shall send written notice by United States first class mail to the user at the address of the connection and provide the user with an opportunity to contest, explain, or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. The written notice shall inform the user of the amount of the delinquent payment, the date service will be disconnected if payment is not made, the date, time, and place of the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain, or correct the charges, services, or disconnection, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown in the notice. A written statement by the District's Operator that the notice was so mailed shall be prima facie evidence of delivery of same. If the user appears before the Board in person or in writing, the Board shall hear and consider the matter and inform the user of the Board's determination by sending written notice by United States first class mail to the user at the address of the connection. If any part of a customer's bill is delinquent, all charges shall be considered due and payable. If service to a user is

disconnected for any cause, there shall be charged a reconnection fee of \$50.00 before service is again commenced to such user. If a customer's meter must be removed to prevent unauthorized use, a reconnection fee of \$50.00 plus the District's costs shall be charged; provided, however, if a customer requests service reconnection after 3:00 p.m. for the same day, payment must be made by credit card only and an additional fee of \$75.00 shall be charged to the customer on the customer's subsequent bill. If service is discontinued due to non-payment, all charges must be paid by cashier's check or by approved money order prior to reconnection of service except for after hours reconnection as provided herein.

Section 20: Plumbing Regulations; Prohibition Against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation. Pursuant to Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a User must execute a Service Agreement in the form attached to this Rate Order as Exhibit "A." The administrative cost of a Service Agreement is \$15.00 for a Single-Family Residential User.

B. Plumbing Fixtures. A User is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

D. Backflow Prevention Assemblies. All sprinkler systems, spas and pools must have backflow prevention devices installed by the User at the User's sole cost and expense. In addition, the District, in its sole discretion, may require a Multi-Family Residential User or a Commercial User to install a backflow prevention assembly at any meter(s) servicing such user's property. The District, in its sole discretion, also may require any User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the

District's potable water distribution system or if the User's plumbing system poses a high health hazard, defined as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." For reference only, a User may refer to Tables 4-1 and 4-2 in the American Water Works Association Manual M14, Second Edition, for examples of health contaminants; however, the referenced lists are not intended to be exclusive and a determination of a high health hazard can be made solely in the District's discretion. If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention assembly tester. A list of certified backflow prevention assembly inspectors can be obtained from the local office of the Texas Commission on Environmental Quality.

The User is responsible for insuring that all backflow prevention assemblies are tested upon installation by a recognized backflow prevention assembly tester. A list of certified backflow assembly inspectors can be obtained from the local office of the Texas Commission on Environmental Quality. The User is solely responsible for the cost of this test.

If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User until such installation is complete. Service will be restored when the backflow prevention assembly has been installed and tested and a signed and dated original of a Backflow Prevention Assembly Test and Maintenance Report in the form attached to this Rate Order as Exhibit "B" has been provided to the District's operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that such installation is required. In addition, the User must provide the District's operator with a signed and dated original of a Backflow Prevention Assembly Test and Maintenance Report in the form attached to this Rate Order as Exhibit "B" within three (3) working days of the installation of the backflow prevention assembly and within three (3) working days of any subsequent repair, maintenance or testing of such assembly. If the User fails to provide the testing certificate within this time, the District, in its discretion, may terminate

service to the User pursuant to the terms of this Rate Order. The District's operator will retain such reports for a minimum of three (3) years.

E. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a User when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist. The cost of such customer service inspection will be the sole responsibility of the User. The District's operator will perform this inspection at a cost of \$50.00 for Single-Family Residential Users and on an individual basis for other Users. All fees relating to the customer service inspection shall be paid by the User prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee.

Prior to initiating service to new construction or buildings containing new plumbing fixtures, the District's operator will prepare a signed and dated Customer Service Inspection Certification in the form attached to this Rate Order as Exhibit "C." The District's operator will retain such inspection certifications for a minimum of ten (10) years. If the User requests a copy of the Certificate, the District's operator will provide the User with the Certificate. In connection with this customer service inspection, the User shall allow its property to be inspected by the District's operator during normal business hours for possible cross-connections and other unacceptable plumbing practices which violate this Rate Order. Thereafter, the District's operator or its subcontractors may, at the discretion of the District and/or the District's operator, periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices which violate this Rate Order.

F. Prohibition Against Cross-Connections. No cross-connection between the District's potable water distribution system and a private water system is permitted. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly must be properly installed and such assembly must be annually inspected and tested by a certified backflow prevention device tester. A list of certified backflow prevention device testers may be obtained from the local office of the Texas Commission on Environmental Quality. By accepting service from the District, all Users agree to allow such annual inspection and testing of backflow prevention assemblies to take place during normal business hours. If any User refuses to allow such annual inspection and testing, service to such User will be discontinued until such inspection and testing is completed.

No connection which allows water to be returned to the District's potable water distribution system is permitted. This includes, but is not limited to, any device pursuant to which water is removed from the District's potable water distribution system, circulated through a User's system for condensing, cooling and heating of fluids or industrial processes, including but not limited to a heat exchange system, and routed back to the District's potable water distribution system.

G. Notice of Unacceptable Plumbing Practices. The District shall notify the User in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the customer service inspection, the final plumbing inspection, any periodic reinspection, or any other inspection. At its sole cost and expense, the User shall immediately correct any unacceptable plumbing practice on its premises and properly install, test and maintain any backflow prevention device required by the District within two (2) working days of receipt of notice of the improper cross-connection. The User shall provide copies of all testing and maintenance records on such devices to the District within three (3) working days of the testing or maintenance. If the User fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the User's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.

H. Penalty for Violation. The failure of a User to comply with the terms of this Section will be considered a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in this Rate Order, immediately terminate service or, at the User's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

Section 21: Delinquent Letter Fee. A fee of \$8.00 shall be charged by the District for each notice of delinquency mailed to an account to cover the District's costs associated with such notice.

Section 22: Returned Checks. The District will charge a \$25.00 penalty fee to any customer for any checks given to the District that must be returned for any reason. Payment made by a returned check shall be subject to the penalty charge specified in this Order. If a delinquent notice had been sent prior to the customer paying with a check that is later returned, the customer shall be required to pay the penalty fee for

said check and pay all charges due by cashier's check or by approved money order.

Section 23: Additional Payment Options. Any User may pay the monthly water and sewer bill via the payment options provided through the District and its operator, including, but not limited to, online check and credit card payments, check and credit card payments processed over the telephone, and payment through various area retail locations. Certain payment options are made available through service providers who may charge Users a convenience fee in connection with some payment options. Such convenience fees are the sole responsibility of the User and are separate from any amount owed by the User to the District. Non-payment of any such convenience fee shall subject the User to termination of service in accordance with this Order. If any User payment is refused or returned by the processing financial institution, the District will charge the User a return item fee of \$25.00. Acceptable payment methods for delinquent accounts may be restricted as specified elsewhere in this Order.

Section 24: No Guarantee of Specific Quantity or Pressure of Water. The District does not guarantee any User any specific quantity or pressure of water for any purpose whatsoever, and all Users understand and agree that the District is not liable for failure or refusal to furnish any particular amount or pressure of water to any User at any time.

Section 25: No Free Service. No free service shall be provided by the District to any person, organization, or institution, including charitable institutions.

Section 26: Required Service. No service shall be given from the District's water or sewer system unless the user agrees to take both water and sewer service.

Section 27: Quality of Sewage.

A. Domestic Waste. Only ordinary liquid and water-carried waste from domestic activities that is amenable to biological treatment and that is discharged from sanitary conveniences of buildings connected to a public sanitary sewer system shall be discharged into the District's sanitary sewer lines. Waste resulting from any process of commerce or industry may not be discharged into the District's sanitary sewer lines except as authorized pursuant to subsection (B) below.

B. Commercial and Industrial Waste. All discharges other than waste described in subsection (A) are prohibited unless the user has applied to and received written authorization from the District for such discharge. The applicant must file a statement with the District containing the following information:

1. Name and address of applicant;
2. Type of industry, business, activity, or other waste-creative

- process;
3. Quantity of waste to be discharged;
 4. Typical analysis of the waste;
 5. Type of pretreatment proposed; and
 6. Such other information as the District may request in writing.

The District shall have the right to reject any application for discharge of non-domestic waste into the District's sanitary sewer lines if the District determines in its sole discretion that the proposed discharge may be harmful to the District's sanitary sewer system or the environment. The District also shall have the right in approving any application for the discharge of non-domestic waste to impose any limitations on such discharge that the District determines in its sole discretion to be necessary to protect the District's sanitary sewer system or the environment. The District has determined that dry cleaning facilities and commercial laundry facilities pose special risks to the District's sanitary sewer system and the environment and, as such, the District shall require all such dry cleaning facilities and commercial laundry facilities to enter into a Wastewater Services Contract for Commercial Cleaners. A copy of the Wastewater Services Contract is attached as Exhibit "D."

C. National Categorical Pretreatment Standard. If a user is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the federal Clean Water Act, the user is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards.

D. District Testing; Pretreatment. The District shall have the right to sample and test any user's discharge at the discretion of the District's operator, with no limit as to the frequency of the tests, and to charge the user for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the user's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection (C) above.

E. Grease Traps. The District shall require the owner of any establishment that discharges certain types of waste into the District's sanitary sewer system to install a trap to prevent the entry of the discharge into the system and a sampling well to allow for periodic sampling of the discharge from the establishment. Discharges requiring a trap and sampling well include, but are not limited to, grease, oil, sand, or flammable waste. Other discharges requiring a trap and sampling well shall be determined by the District's operator and engineer on a case-by-case basis based on the operator's and engineer's conclusion that the discharge in question will harm the District's facilities if

allowed to enter the District's system. Any person responsible for a discharge requiring a trap and sampling well shall provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition. For restaurants and similar developments, the District will require as a minimum one trap and one sampling well per restaurant. It shall be the responsibility of the owner of the property to maintain and service the trap(s). All traps shall be cleaned a minimum of once a month. The District's operator may inspect the traps and may take samples and flow measurements from the sampling wells with no limit as to the frequency of the tests. The cost for inspections and lab analysis will be billed to the owner of the property as follows:

Trap inspection	\$50.00
Lab sampling and analysis	Cost + 15%

The District has the right to require the owner to pretreat the discharge if appropriate as determined by the District in its sole discretion.

Section 28: Swimming Pool Inspections and Fee. Every User who plans to construct or install a swimming pool within the District shall notify the District's operator in writing prior to commencing construction of the pool. Upon notification by the User of the intention to construct or install a swimming pool, the User shall pay an inspection fee of \$35.00. After the notification is received, the District's operator shall ensure that all drains from the swimming pool are connected to the District's sanitary sewer system. After the drains have been installed, the User shall notify the District's operator, who shall make an inspection of all swimming pool drains to verify that the proper connection is made, before service is authorized for said swimming pool.

Section 29: Penalties for Violation. Any person, corporation, or other entity who:

- (1) violates any Section of this Order; or
- (2) makes unauthorized use of District services or facilities; or
- (3) causes damage to District facilities by using such facilities in a manner or for a purpose contrary to the purpose for which such facilities were designed; or
- (4) uses or permits the use of any septic tank or holding tank within the District; or
- (5) violates the District's Rules and Regulations Governing Sewer House Lines and Sewer Connections; or

- (6) violates the District's Order Adopting Amended and Restated Drought Contingency Plan; or
- (7) constructs facilities or buildings which are not included in the approved plans for development described in this Order;

shall be subject, in addition to the penalties described elsewhere in this Order, to a penalty of \$5,000.00 for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach.

This penalty shall be in addition to the other penalties, fees, and charges provided by this Rate Order, the laws of the State, and any other legal and equitable rights and remedies of the District allowed by law.

Section 30: Applicability of Rate Order. This Order and all of the provisions herein apply only to utility service to land within the District. The Board of Directors shall determine whether to provide any utility service to areas outside of the District and the terms and conditions for such service.

Section 31: Temporary Meters. During construction, a builder may use water from a flushing valve only after paying a \$50.00 installation fee and a \$750.00 deposit to the District's Operator for installation of a temporary meter and fire hydrant wrench. The deposit will be returned after the builder completes all construction. The deposit described herein may be applied by the District to the cost of water usage by a builder or a builder's agent and to the cost of repair of any damage to the hydrant caused by a builder or a builder's agent.

Section 32: Effective Date. This Order supersedes all prior orders, resolutions, and other actions of the Board concerning fees and charges for water and sewer services.

SIGNED AND SEALED this 12th day of January, 2010.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

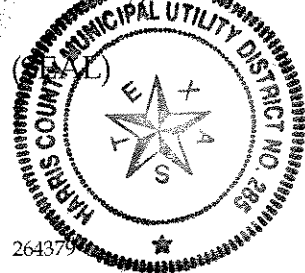


EXHIBIT "A"

SERVICE AGREEMENT

- I. **PURPOSE.** Harris County Municipal Utility District No. 285 (the "District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between Harris County Municipal Utility District No. 285 (the "District") and _____ (the "Customer").
- A. The District will maintain a copy of this agreement as long as Customer and/or the premises is connected to the District's water system.

- B. Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the District's normal business hours.
 - C. The District shall notify Customer in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
 - D. Customer shall immediately correct any unacceptable plumbing practice on his/her premises.
 - E. Customer shall, at his/her expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.
 - F. Customer understands and agrees that the District does not guarantee any specific quantity or pressure of water for any purpose whatsoever and that the District is not liable to customer for failure or refusal to furnish any particular amount or pressure of water to Customer at any time.
- IV. **ENFORCEMENT.** If Customer fails to comply with the terms of the Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

ADDRESS: _____

EXHIBIT B
Backflow Prevention Assembly Test and Maintenance Report

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the public water supplier for recordkeeping purposes.

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D. #: _____

LOCATION OF SERVICE: _____

The backflow prevention assembly detailed below has been tested and maintained as required by TNRCC regulations and is certified to be operating within acceptable parameters.

Not needed at this address

TYPE OF ASSEMBLY

- | | |
|---|--|
| <input type="checkbox"/> Reduced Pressure Principle | <input type="checkbox"/> Pressure Vacuum Breaker |
| <input type="checkbox"/> Double Check Valve | <input type="checkbox"/> Atmosphere Vacuum Breaker |

Manufacturer: _____ Size: _____

Model Number: _____ Located At: _____

Serial Number: _____

	Reduced Pressure Principle Assembly		Pressure Vacuum Breaker		
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	1st Check	2nd Check		Opened at _____ psid	_____ psid
Initial Test	DC - Closed Tight <input type="checkbox"/> RF _____ psid Leaked <input type="checkbox"/>	Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at _____ psid	Did Not Open <input type="checkbox"/>	Leaked <input type="checkbox"/>
Repairs and Materials Used					
Test After Repair	DC - Closed Tight <input type="checkbox"/> RF _____ psid Leaked <input type="checkbox"/>	Closed Tight <input type="checkbox"/>	Opened at _____ psid	Opened at _____ psid	_____ psid

The above is certified to be true.

Firm name: _____ Certified Tester: _____

Firm Address: _____ Cert. Tester No.: _____

Date: _____

EXHIBIT C
Customer Service Inspection Certification

Name of PWS: _____

PWS I.D. #: _____

Location of Service: _____

I, _____, upon inspection of the private plumbing facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

	Compliance	Non-Compliance
(1) No direct connection between the public water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<input type="checkbox"/>	<input type="checkbox"/>
(2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	<input type="checkbox"/>	<input type="checkbox"/>
(3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>
(4) No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>
(5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>
(6) No plumbing fixture is installed which is not in compliance with a state approved plumbing code.	<input type="checkbox"/>	<input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines: Lead Copper PVC Other
 Solder: Lead Lead Free Solvent Weld Other

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Signature of Inspector

Registration Number

Title

Type of Registration

Date

License Expiration Date

EXHIBIT "D"
WASTEWATER SERVICES CONTRACT FOR COMMERCIAL CLEANERS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

WHEREAS, Harris County Municipal Utility District No. 285 (the "District") provides water, sewer and drainage service to residential and commercial establishments within the District's jurisdiction;

WHEREAS, _____ (the "Cleaner") operates a commercial dry cleaning facility and/or commercial laundry at _____ (the "Facility") within the District's service area and desires to receive sewage treatment services from the District;

WHEREAS, the use of perchloroethylene, also known as tetrachloroethene, tetrachloroethylene, perc, and PCE, is prevalent in the commercial dry cleaning and commercial laundry business;

WHEREAS, perchloroethylene is a hazardous substance under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601-9675, and regulations promulgated pursuant to CERCLA;

WHEREAS, the Cleaner may use other organic solvents, detergents and/or stain and spot removers, including but not limited to 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, that may be hazardous substances pursuant to CERCLA and regulations promulgated thereto;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers may deteriorate or contribute toward the deterioration of pipes, pipe fittings, joints, and the sealants around such pipes, pipe fittings, and joints in the District's sanitary sewer system in a manner which causes such substances to be released into the environment;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers are toxic or otherwise injurious to human health and the environment when released into the environment;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers are persistent when released into the environment, and as such are expensive to contain and remove once released into the environment; and

WHEREAS, the District has determined not to allow discharges of any wastewater into the District's sanitary sewer system from commercial dry cleaning and commercial laundry facilities to prevent harm to the District's facilities and the environment, unless such commercial dry cleaning and commercial laundry facilities agree by contract to strict controls on the use and discharge of perchloroethylene and other organic solvents, detergents and/or stain and spot removers;

NOW, THEREFORE, THIS CONTRACT is entered into by and among the District and the Cleaner this ____ day of _____, 2____.

For and in consideration of the mutual promises and benefits set forth herein, the District and the Cleaner agree to the following:

1. Wastewater Services. The District agrees to receive into its sanitary sewer system wastewater discharged from operations at the Cleaner, subject to the terms of this Contract and the District rate order, as currently existing or hereinafter amended (the "Rate Order"). The Cleaner is hereby notified that it is also subject to all subsequent modifications, revisions, and/or amendments to the Rate Order that may be adopted by the District after the date first written above.
2. Compliance With Laws and Regulations. The Cleaner shall operate in compliance with all applicable federal, state and local laws and regulations, including but not limited to the National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities, 40 C.F.R. Part 63, Subpart M; all applicable requirements set forth in and promulgated pursuant to the Clean Water Act, 33 U.S.C. §§ 1251-1387; all applicable requirements set forth in and promulgated pursuant to the Safe Water Drinking Act, 42 U.S.C. §§ 300f to 300j-26; all applicable requirements set forth in and promulgated pursuant to the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901-6992k; all applicable requirements set forth in and promulgated pursuant to CERCLA, 42 U.S.C. §§ 9601-9675; all applicable requirements set forth in and promulgated pursuant to the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001-11050; all applicable requirements set forth in and promulgated pursuant to the Texas Solid Waste Disposal Act ("TSWDA"), Texas Health & Safety Code §§ 361.001-.754; and all applicable requirements set forth in and promulgated pursuant to any section within the Texas Water Code.
3. Maximum Contaminant Levels. The Cleaner (and any other person or entity associated with the Facility) is prohibited from discharging any wastewater containing any organic solvent, including but not limited to perchloroethylene,

1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, into the District's sanitary sewer system in excess of the Maximum Contaminant Levels ("MCLs") established in 40 C.F.R. § 141.61. The Cleaner warrants and represents that it has checked all drains and pipes at the Facility and that no drain or pipe that may receive wastewater in excess of any MCL established in 40 C.F.R. § 141.61 discharges directly or indirectly into the District's sanitary sewer system. In the event any wastewater containing organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, are discharged into the District's sanitary sewer system that exceed or may exceed the MCLs established in 40 C.F.R. § 141.61, the Cleaner shall immediately notify the District so that the District may take steps to control and/or contain the discharge with minimal disruptions to the wastewater treatment facility that will receive the discharge.

4. Stain/Spot Treatment. The Cleaner (and any other person or entity associated with the Facility) shall not pretreat any clothing with perchloroethylene prior to introducing such clothing into equipment, such as commercial washing machines, that discharge wastewater directly or indirectly into the District's sanitary sewer system. To the extent the Cleaner or any other person or entity uses any other stain/spot remover or other substance to pretreat clothing prior to introducing such clothing into equipment discharging directly or indirectly into the District's sanitary sewer system, the Cleaner shall verify that the wastewater discharged into the District's sanitary system does not contain any constituent of such stain/spot remover or other substance in excess of the MCLs established in 40 C.F.R. § 141.61.
5. Spills. The Facility shall have no floor drains near the area where organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, are used that lead to the District's sanitary sewer or storm water drain. The Cleaner shall have absorbent cotton blankets, or other suitable cleanup and containment materials, available at the Facility for use in the event of a spill of any organic solvent, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated

and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels.

6. Storage Area. All organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, shall be stored in a separate area. The floor in the organic solvent storage area should be leak-proof, such as a floor constructed of stainless steel, fiberglass, or concrete with a thick coating of epoxy applied frequently enough to completely cover the floor area at all times, and designed to contain 110% of any organic solvent contained in any single container, tank, or dry cleaning equipment that contains organic solvent.
7. Storage Containers. The Cleaner (and any other person or entity associated with the Facility) shall keep all organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, and all waste materials potentially contaminated with such organic solvents in leak-proof, tightly covered containers and stored in the organic solvent storage area. All spent cartridge filters shall be placed inside leak-proof, tightly covered containers and stored in the organic solvent storage area.
8. Secondary Containment. All dry cleaning machines, washers, dryers, or other equipment that use, contain or store organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, or any water contaminated by such organic solvents, shall be placed in an area surrounded by a containment curb or similar secondary containment structure designed to contain spills or leaks. The containment curb or similar secondary containment structure shall be non-porous, constructed of materials such as fiberglass, steel, or concrete with a thick coating of epoxy applied frequently enough to completely cover the containment area at all times, and designed to contain at least 110% of the contents of any single tank, container, or equipment that may contain organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH

controlling agents used for the removal of fats, oils, greases, paints and enamels, or water contaminated by such organic solvents.

9. Hazardous Waste. The Facility shall not be used as a hazardous waste treatment, storage, and disposal facility. No hazardous waste, whether generated by the Cleaner at the Facility, by the Cleaner at another facility, or by any third party, shall be transported to the Facility or to any facility receiving water or sewer services from the District. Further, all hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, shall be stored at the Facility only for such time as is necessary to accumulate sufficient quantities for transportation to a permitted hazardous waste treatment, storage, and disposal facility. Under no circumstances shall any hazardous waste be accumulated at the Facility for a length of time such that the Facility becomes subject to the requirements for hazardous waste treatment, storage, and disposal facilities.
10. EPA Identification Number. If it has not already done so, the Cleaner shall obtain an EPA identification number from the U.S. Environmental Protection Agency ("EPA") pursuant to 40 C.F.R. § 262.12 for the Facility notwithstanding any regulatory exemption or exception, including the provisions for conditionally exempt small quantity generators. The Cleaner shall comply with the manifest requirements in 40 C.F.R. Part 262 when transporting or arranging for the transportation of hazardous waste from the Facility, and the Cleaner shall use the EPA identification number that identifies the Facility in all such manifests.
11. Waste Disposal. The Cleaner shall arrange for the transportation of hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, only with a transporter who complies with all applicable requirements for the handling and transportation of hazardous waste. The Cleaner shall transport or arrange for the transportation of hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, only to a permitted hazardous waste treatment, storage, and disposal facility who complies with all applicable federal, state, and local requirements set forth in and promulgated pursuant to RCRA, 42 U.S.C. §§ 6901-6992k, and TSWDA, Texas Health & Safety Code §§ 361.001-361.754. The Cleaner shall be obligated to make all reasonable inquiries regarding any hazardous waste transporter or hazardous waste treatment, storage, and disposal facility in order to verify compliance with all applicable federal, state, and local requirements. At a minimum, such inquiry shall include

verification that each transporter has an EPA identification number and each hazardous waste treatment, storage, and disposal facility has an EPA identification number and a valid permit for hazardous waste treatment, storage, and disposal.

12. Operation and Maintenance. All dry cleaning and laundry equipment at the Facility shall be operated and maintained according to the manufacturer's instructions, including all instructions set forth in the operator's manual provided by the manufacturer and supplied with the dry cleaning and/or laundry equipment. The Cleaner shall keep a copy of the operator's manual at the Facility and shall make each person employed by the Cleaner aware of the location of the operator's manual.
13. Inspections. The Cleaner shall allow reasonable access on prior written request by the District to allow the District's representative to inspect the Facility for compliance with this Contract. Failure to provide access for such inspection shall be a violation of this Contract and sufficient grounds for the termination of water, sewer, and drainage services.
14. Wastewater Sampling. The District's representative shall be allowed to sample and analyze the wastewater discharged from the Cleaner into the District's sanitary sewer system to ensure compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation. The Cleaner shall provide reasonable access to the District's representative for purposes of sampling the Cleaner's wastewater discharge, and the Cleaner shall pay the District's reasonable costs for such sampling and analysis necessary to ensure compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation. Such sampling shall be no more frequent than once per month unless the analysis of any prior sample indicates a violation or potential violation of this Contract, the Rate Order, or any applicable federal, state, or local law or regulation, in which case subsequent samples shall be no more frequent than necessary to ensure continuous compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation.
15. Remedies. The District may terminate services provided under this Contract, at the Cleaner's sole cost and expense, including a reasonable fee for terminating service, court costs, attorneys' fees, and any other cost related to enforcing this Contract and terminating service, for a violation of any provision set forth in this Contract. The District may also impose fines and penalties authorized in the Rate Order or take any other action authorized in the Rate Order or under law for any violation of this Contract or the Rate Order, and, notwithstanding any provision in the Rate Order to the contrary, the Cleaner is liable for all costs

related to enforcing the terms or conditions of this Contract or the Rate Order, including court costs and attorneys' fees.

16. Insurance.

- A. The Cleaner shall maintain at its own expense environmental pollution insurance in the form of a pollution legal liability select policy or other environmental pollution insurance policy in full compliance with this paragraph and satisfactory to the District ("Mandatory Insurance"). The Mandatory Insurance shall provide coverage, with limits of not less than \$1,000,000 (ONE MILLION DOLLARS) annual aggregate limit on a claims made basis, for the following: (i) the Cleaner's own pollution cleanup costs, including any costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of pollutants into the environment or into the sewage treatment system of the District; (ii) any pollution cleanup costs by the District, including any costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of the Cleaner's pollutants into the environment or into the sewage treatment system of the District; (iii) any governmental pollution cleanup costs that may result if the Cleaner or the District fails to perform any necessary cleanup, including any governmental costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of the Cleaner's pollutants into the environment or into the sewage treatment system of the District; (iv) any property damage to tangible property of the District, including any damage to the sewage treatment system of the District; (v) any restoration costs for restoring the sewage treatment system of the District after cleanup of the pollution, or restoring the property or environment damaged by the pollution or the pollution cleanup, including any affected surface vegetation or soils, subsurface soils, surface water, or groundwater; (vi) any business interruption losses incurred by the District as a result of the pollution or pollution cleanup; (vii) any legal expense or defense costs that may be incurred by the District; (viii) any third-party claims for the cleanup of pollution conditions against the Cleaner or the District; (ix) any third-party claims for bodily injury resulting from the pollution conditions against the Cleaner or the District; and (x) any third-party claims for property damage resulting from the

pollution conditions against the Cleaner or the District. Voluntary cleanups by the Cleaner or the District shall be specifically covered under the Mandatory Insurance. The Mandatory Insurance shall allow the Cleaner and the District to self-report pollution and recover cleanup costs either or both may incur after reporting the pollution voluntarily. Exclusions shall not be written that remove or limit the coverage intended by this paragraph.

- B. The District shall be named as an additional insured with waiver of subrogation rights on all insurance coverage provided by the Cleaner except where the District may decline same in advance and in writing.
- C. The Mandatory Insurance shall be maintained without a reduction in or narrowing of coverage during the period the District provides services under this Contract and for at least 4 years following the termination of services provided under this Contract. The Mandatory Insurance shall provide coverage for the acts and omissions of the Cleaner and its agents, employees, contractors and subcontractors. The Mandatory Insurance shall require that the District be provided with thirty (30) days advance written notice of cancellation, reduction, change or renewal of each such policy. Proof of insurance satisfactory to the District, including proof that the District has been named as an additional insured as provided in paragraph B, shall be provided by the Cleaner at execution of this Contract and attached to this Contract as Exhibit "A."
- D. The Mandatory Insurance shall provide that the District shall not be subject to the "other insurance" condition or other policy terms which conflict with this Contract. It is the intent of this Contract that the Mandatory Insurance, including the interest of the District as an additional insured, shall be primary insurance and not contributory with other insurance which the District may have in effect.
- E. The Mandatory Insurance shall be provided by financially responsible insurance carriers licensed to do business in the state of Texas and rated by AMBest Rating Service as A- or better.
- F. The Cleaner's failure to maintain the Mandatory Insurance shall be a basis for termination of services to be provided by the District under this Contract.

17. INDEMNITY.

- A. AS PART OF THE CONSIDERATION FOR THE RIGHT TO DISCHARGE WASTEWATER FROM COMMERCIAL DRY CLEANER AND/OR

COMMERCIAL LAUNDRY ACTIVITIES INTO THE SANITARY SEWER SYSTEM OF THE DISTRICT, THE CLEANER HAS AGREED TO AND DOES HEREBY FULLY AND COMPLETELY INDEMNIFY AND HOLD THE DISTRICT, EACH ANY EVERY MEMBER OF THE BOARD OF DIRECTORS OF THE DISTRICT, CONSULTANTS RETAINED BY THE DISTRICT TO CARRY OUT THIS CONTRACT OR OTHERWISE TO ASSIST IN PROVIDING WASTEWATER SERVICES TO THE CLEANER, CONTRACTORS OR EMPLOYEES RETAINED OR HIRED BY THE DISTRICT TO CARRY OUT THIS CONTRACT OR OTHERWISE TO ASSIST IN PROVIDING WASTEWATER SERVICES TO THE CLEANER, AND ANY OTHER AGENT OR REPRESENTATIVE OF THE DISTRICT WHO CARRIES OUT THIS CONTRACT ON BEHALF OF THE DISTRICT OR WHO ASSISTS THE DISTRICT IN PROVIDING WASTEWATER SERVICES TO THE CLEANER (COLLECTIVELY, THE "DISTRICT AND ITS AGENTS") HARMLESS FROM EVERY CLAIM, ACTUAL LOSS, DAMAGE, INJURY, COST, EXPENSE, JUDGMENT, OR LIABILITY SUSTAINED OR INCURRED BY, OR BROUGHT AGAINST THE DISTRICT AND ITS AGENTS, OF EVERY KIND OR CHARACTER WHATSOEVER, IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, DIRECT OR INDIRECT, FOR BODILY INJURY, DEBT, PROPERTY DAMAGE, ECONOMIC LOSS AND/OR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH THE DISCHARGE OF WASTEWATER FROM COMMERCIAL DRY CLEANER AND/OR COMMERCIAL LAUNDRY OPERATIONS INTO THE SANITARY SEWER SYSTEM OF THE DISTRICT. THIS INDEMNITY AND HOLD HARMLESS AGREEMENT RUNNING IN FAVOR OF THE DISTRICT AND ITS AGENTS IS SPECIFICALLY INTENDED TO COVER ALL COSTS OF ANY FUTURE CLAIMS OR LITIGATION, INCLUDING COURT COSTS, ATTORNEYS' FEES, AND/OR OTHER DEFENSE COSTS, AND EXPRESSLY INCLUDES ANY AND ALL CLAIMS THAT MAY BE BROUGHT BY PRIVATE PERSONS OR GOVERNMENTAL AGENCIES UNDER CERCLA (42 U.S.C. §§ 9601-9675), RCRA (42 U.S.C. §§ 6901-6922K), TSWDA (TEXAS HEALTH & SAFETY CODE §§ 361.001-.754), OR ANY OTHER FEDERAL OR STATE STATUTORY CAUSE OF ACTION. FURTHERMORE, THIS INDEMNITY AND HOLD HARMLESS AGREEMENT RUNNING IN FAVOR OF THE DISTRICT AND ITS AGENTS IS SPECIFICALLY INTENDED TO OPERATE AND BE APPLICABLE EVEN IF IT IS ALLEGED, CHARGED, OR PROVEN THAT ALL OR SOME OF THE FACTS, INCIDENTS OR EVENTS COMPLAINED OF OR ALL OR SOME OF THE DAMAGES SOUGHT WERE SOLELY AND COMPLETELY CAUSED BY THE FAULT OR SOLE OR CONCURRENT NEGLIGENCE (INCLUDING GROSS

NEGLIGENCE) OF THE DISTRICT, THE DISTRICT AND ITS AGENTS, OR ANY PERSON, ENTITY OR PORTION COMPRISING THE DISTRICT AND ITS AGENTS OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION, INCLUDING WITHOUT LIMITATION ALL TYPES OF NEGLIGENT CONDUCT (INCLUDING GROSS NEGLIGENCE) IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS. FINALLY, IT IS AGREED THAT NO STATUTE OF LIMITATIONS PERIOD OR PERIOD OF LACHES SHALL BEGIN TO RUN AGAINST THIS INDEMNITY AND HOLD HARMLESS AGREEMENT UNTIL EACH CLAIM, DEMAND, OR CAUSE OF ACTION FOR WHICH HOLD HARMLESS OR INDEMNITY PROTECTION IS SOUGHT HAS BEEN ASSERTED AGAINST THE PARTY OR PARTIES SEEKING TO INVOKE THE PROTECTION OF THIS INDEMNITY AND HOLD HARMLESS AGREEMENT AND UNTIL SUCH PARTY HAS RECEIVED WRITTEN NOTIFICATION OF SUCH CLAIM, DEMAND, OR CAUSE OF ACTION.

- B. THESE CONTRACTUAL PROVISIONS RELIEVE ONE PARTY FOR RESPONSIBILITY IT OTHERWISE WOULD HAVE UNDER THE LAW FOR DAMAGES OR OTHER LIABILITY ARISING OUT OF THIS CONTRACT.

- C. THE PARTIES HAVE NEGOTIATED IN GOOD FAITH TO ELIMINATE UNKNOWN AND ARBITRARY ASPECTS OF THEIR RELATIONSHIP AND TO ALLOCATE THE RISK OF LOSS IN A MANNER THAT IS COMMENSURATE WITH THE EXPECTED BENEFITS. THE PARTIES HAVE ATTEMPTED TO STATE THEIR AGREEMENT CLEARLY AND EXPRESSLY WITHIN THE FOUR CORNERS OF THIS CONTRACT. THE PARTIES AGREE THAT ALL PROVISIONS OF THIS CONTRACT ARE INTENDED TO APPLY EVEN IF THEY HAVE THE RESULT OF RELIEVING ONE PARTY FROM RESPONSIBILITY IT WOULD OTHERWISE HAVE UNDER THE LAW FOR ITS CONDUCT, INCLUDING ITS SOLE OR CONCURRENT NEGLIGENCE (INCLUDING GROSS NEGLIGENCE), OR FOR ANY DAMAGES OR LIABILITY THAT WOULD OTHERWISE BE IMPOSED BY THE LAW IN CONNECTION WITH EITHER PARTY'S CONDUCT. EACH PARTY AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE ENFORCEABILITY OF ANY PROVISION OF THIS CONTRACT UNDER THE "EXPRESS NEGLIGENCE" RULE AND EACH PARTY AGREES AND COVENANTS THAT IF A PROVISION OF THIS CONTRACT IS NEVERTHELESS DEEMED BY A COURT TO BE SUBJECT TO THE "EXPRESS NEGLIGENCE" RULE AND THAT IF THE PROVISION IS AMBIGUOUS, SUCH PROVISION WILL NOT BE DECLARED

UNENFORCEABLE. INSTEAD, SUCH AMBIGUOUS PROVISION SHALL BE ENFORCED IN ACCORDANCE WITH THE COMMERCIAL AND ECONOMIC TERMS OF THE PARTIES' OVERALL AGREEMENT AND, TO THAT END, AND TO THAT END ONLY, ORAL TESTIMONY AND OTHER WRITING SHALL BE CONSIDERED BY THE COURT OR JURY TO DETERMINE THE INTENT OF THE PARTIES WITH RESPECT TO SUCH PROVISION.

18. Non-assignment. The Cleaner shall not assign or delegate this Contract to any person or entity, and the Cleaner shall be responsible for all duties and obligations set forth in this Contract notwithstanding any acts by third parties or intervening events.
19. Severability. In the event that any one or more of the provisions contained in this Contract or in any other instrument referred to herein, including but not limited to the Rate Order, shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract or any other such instrument.
20. Amendments, Waiver. This Contract may not be amended except in a writing specifically referring to the Contract and signed by the District and the Cleaner. Notwithstanding this paragraph, the Rate Order may be amended as provided in paragraph 1. Any right created under this Contract may not be waived, except in a writing specifically referring to this Contract and signed by the party waiving the right. The failure of a party to enforce strictly any provision of this Contract shall not be deemed to act as a waiver of any provision, including the provision not so enforced.
21. Merger. This Contract and the exhibit attached hereto constitute the entire understanding between the parties and supersede any prior negotiations, discussions, agreements, and understandings between the parties with respect to the subject of this Contract.

AGREED TO AND ACCEPTED as of the date first written above.

HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 285

President, Board of Directors

ATTEST:

Address: c/o Allen Boone Humphries
Robinson LLP
3200 Southwest Freeway
Suite 2600
Houston, Texas 77027
Attn: _____

Secretary, Board of Directors

THE CLEANER

By: _____

Name: _____

Title: _____

Address: _____