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

Pursuant to Chapter 13.2502 of the Texas Water Code, Ricardo 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 Ricardo Water Supply Corporation, Certificate of Convenience and Necessity No. 11889, in Kleberg County, into two or more lots or 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 or sewer service connections on a single contiguous tract of land must comply with Section F - Non-standard Service Requirements (the "Subdivision Policy") contained in Ricardo Water Supply Corporation's Tariff.

Ricardo 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 Policy include:

Evaluation by Ricardo Water Supply Corporation of the impact a proposed subdivision service extension will make on Ricardo Water Supply Corporation's water supply/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 service capacity;

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

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

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

Ricardo Water Supply Corporation's tariff and a map showing Ricardo Water Supply Corporation's service area may be reviewed at Ricardo Water Supply Corporation's offices at 2302 East Sage Road, Kingsville, Texas; the tariff and service area map also are filed of record at the Public Utility Commission of Texas.