

SUBMETERED WATER SUPPLY CONTRACT

(Submeter)

concluded by and between, on the one hand,

Owner's name:

(User)

Address:

Mother's name:

Place and date of birth:

Bill Payer's name:

(if other than Owner)

Mailing address:

Mother's name:

Consumer ID number:

Payment method:

as **SUBMETERED WATER USER**,

and, on the other hand, Pápai Vízmű ZRt. (8500 Pápa, Vízmű u. 2.) as **SUPPLIER**,

FOR RECEPTION OF POTABLE WATER,

FOR SEWER USAGE, with the following conditions:

Place of performance shall be at the following address:

Supply Points and connection sizes (for potable water: consumer-side joint stub end of the connection meter,

for sewage: the joint stub closest to the public space within the manhole)

Connection water meter and manhole of the condominium located at the following address:

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1.) Supplier undertakes the following:

1.1. Supplier shall supply potable water, of a quality **permitted under the applicable public health regulations**, to Submetered Water User at the Supply Points.

1.2. Supplier shall supervise, maintain and renovate the pipeline and its accessories, at his own cost, up to the Supply Point – that is, up to the connection water meter, or up to the manhole, or in the absence of both, up to the property's boundary.

1.3. In the event that the provision of potable water supply is interrupted for a period of 12 hours in a planned manner – or for a period of 6 hours in the event of a **breakdown** – and such interruption affects at least 20% of the settlement's inner area, or affects more than 500 individuals, then Supplier shall ensure that the need for potable water is satisfied through some other means, providing potable water in the amount of 10 litres/person as the minimum amount required for subsistence. In the event of service interruptions exceeding 12 hours but not exceeding 24 hours, the prescribed quantity of potable water is 25 litres/person, while in the event of service interruptions exceeding 24 hours, such prescribed quantity is 30 litres/person/day.

1.4. In the event that Submetered Water User's **consumption permanently stays below 50 m³/month**, Supplier shall issue an invoice every two months, for an amount corresponding to 2 months' average consumption calculated from the total consumption for the preceding year; and at the same time as such an invoice is issued, Supplier will increase the meter reading on his records by the quantity of m³ so invoiced. On at least 1 occasion each year (during the 4th quarter) Supplier shall read the water meter, and then Supplier shall issue the next invoice not for average consumption, but for the quantity actually consumed, which shall correspond to the difference between the preceding meter reading invoiced and the current actual meter reading.

In the event that Submetered Water User's **consumption permanently exceeds 50 m³/month**, Supplier shall read the meter at the end of each month and issue his invoices for the quantities actually consumed.

1.5. Supplier shall invoice Submetered Water User for the provision of potable water supply **on the basis of consumption measured by the water meter** (or in the absence thereof, at rates calculated on the basis of the applicable legal regulations); and Supplier shall invoice Submetered Water User for sewer usage on the basis of the quantities measured by the sewage meter, or in the absence thereof, on the basis of the quantities of potable water consumed. Submetered Water User alone shall be responsible for the acquisition, installation, maintenance, calibration and replacement of any sewage meters.

1.6. Supplier shall place security seals on all submeters owned by Submetered Water User.

2.) Submetered Water User undertakes the following:

2.1. Submetered Water User shall pay for the services provided by Supplier **any and all charges as they may be stipulated from time to time plus VAT**, plus any and all default interest in the event of late payment.

In the event that Submetered Water User fails to pay any charges as per the conditions set forth in this contract, Supplier may:

- restrict the provision of services with regard to periods of availability and quantities supplied;
- suspend the provision of potable water used exclusively for production purposes;
- in the event that any charges remain outstanding for a period exceeding 2 months, Supplier may terminate the submetered water supply contract with a notice period of an additional 30 days and commence legal action to recover the amounts claimed.

- 2.2. Submetered Water User shall provide for mechanical filtration as required by the technologies or appliances used by him (e.g., food industry). Submetered Water User shall **continuously supervise**, within the property boundaries, the piping and related accessories which serve to supply the real estate with water, and shall eliminate any water leakages.
- 2.3. Submetered Water User shall construct the water meter location in accordance with the relevant technical specifications, keep it accessible and clean at all times, and make the water meter accessible for reading. Submetered Water User shall **ensure that the water meter is protected against frost and other damaging effects**. Submetered Water User shall keep the security seal intact.
- 2.4. Submetered Water User shall monitor the water meter's operation and notify Supplier immediately of any irregularities observed.
- 2.5. The submeter used by Submetered Water User is his sole property and he shall be obliged to ensure that the submeter is calibrated, submitted to extra examinations or replaced as necessary at his own cost. Submetered Water User **shall be obliged to notify Supplier** before the meter can be uninstalled and **before the security seal can be broken**; Supplier will then read the meter at an agreed time. In the event of any wilful damage caused to the security seal or any other abuse, Submetered Water User shall pay for the average quantity consumed since the date of the last meter reading **at six times the regular tariff**.
- 2.6. Submetered Water User **may only let such sewage into the sewer system** which does not endanger the life, safety or health of any persons working at the treatment plant and is not detrimental to the condition of the sewers or the operation of the technical equipment. The quality of any sewage let into the sewer system shall comply with the applicable quality requirements. The sodium equivalent of any sewage let out may not exceed 45%. Submetered Water User shall allow inspections to be carried out within the property's boundaries. **In the event that any values exceed the prescribed quality limit values, Submetered Water User shall provide pre-cleaning of the sewage.**
- 3.) Submetered Water User (if he is an economic entity) shall pay to Supplier a **water utility development contribution** when Submetered Water User wishes **to increase the quantity** of water supplied to him.
- 4.) In the event that Submetered Water User obtains water not only through being connected to the public utility water supply network but also **from some waterworks of his own (or from any other waterworks)**, then he shall be obliged to operate calibrated water meters for measuring all quantities of water produced and all quantities used by him. Submetered Water User shall notify Supplier of the quantities measured and allow Supplier to read the meters.
- 5.) Submetered Water User may lodge a complaint with Supplier within 15 days of the receipt of an invoice; however, this shall not have a delaying effect on his obligation to pay the invoice concerned. **In the event of late payment, Supplier will charge default interest in the amount of double the Hungarian National Bank's base rate effective as of 1st January in the year under review.**
- 6.) The contracting parties agree that any disputes which may arise between them shall be governed by the provisions of the Act on Water Management and other related legal regulations, as well as the provisions of the Civil Code of Hungary.
- 7.) **By mutual agreement the contracting parties declare that the basis for the payment of charges shall be the quantity of water measured by the connection water meter installed at the Supply Point.**
- 7.1. Supplier will **issue and deliver** the invoices for water consumption and sewer usage **directly** to the Submetered Water Users.
- 7.2. **The consumer charged at the connection water meter shall be obliged to pay** to Supplier the **difference** between, on the one hand, water consumption as measured at the submeters which measure submetered water consumption levels, and on the other hand, water consumption as measured at the connection water meter.
- 7.3. If **Submetered Water User fails to fulfil any of his payment obligations**, then in the event of any charges remaining outstanding for a period exceeding 2 months, Supplier will terminate his invoicing relationship with Submetered Water User with a notice period of an additional 30 days. **Supplier shall give written notification to the consumer charged at the connection water meter** about such termination of the submetered water supply contract.
- 7.4. At the end of each invoicing period, Supplier shall notify the consumer charged at the connection water meter about the amounts charged by him to the Submetered Water Users.
- 8.) **In the event that the consumer who is designated as Bill Payer in this contract fails to fulfil any of his obligations to pay charges or any of his other obligations, then the Owner shall be obliged to assume responsibility for the obligations undertaken under this contract.**
- 9.) **In the event that Submetered Water User is replaced by a new Submetered Water User**, the former Consumer and the new Consumer shall jointly notify Supplier within 30 days of the date of such change, specifying also the then-current water meter reading; such notification is required **also in the event of any changes in any of the Submetered Water User's particulars set forth in this contract**. In the event of a failure to give such notification, **the Consumer who is moving out and the new Consumer shall be jointly and severally liable** for any and all damages arising out of such failure.
- 10.) This submetered water supply contract shall enter into force as of the date of its signing and it is concluded **for an indefinite duration**. At the same time all previous contracts concluded for the subject matter hereof shall expire.

Dated,

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Submetered Water User

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Submetered Water User

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Supplier