

WATER SERVICE AGREEMENT

AGREEMENT REGARDING WATER SERVICE FOR THE PROPOSED ARTESIA HILLS SUBDIVISION, PHASE I

PARTIES: This Agreement is by and between the Utility and the Subdivider, to wit: The Utility is the governing board or owner of a retail public utility, which supplies drinking water known as the City of Laredo Water Utilities Department.

The Subdivider is BORDER CITY HOLDINGS, INC. who is the owner, or the authorized agent of the owner, of a tract of land in Webb County, Texas, that has been proposed to be divided into a subdivision (the Subdivision) Known as Artesia Hills Subdivision, Phase I.

TERMS: This Agreement is entered into in partial satisfaction of requirements under the Texas Water Development Board's Economically Distressed Areas Program Model Subdivision Rules. The Subdivider has prepared a plat of the Subdivision for submission to the City of Laredo for its approval. The Subdivider plans to construct for the Subdivision a drinking water distribution system to be connected to the Utility's public water system. The Utility has reviewed the plans for the Subdivision (the Plans) and has estimated the drinking water flow anticipated to be needed by the Subdivision under fully built-out conditions (the anticipated water flow) to be approximately 47,138 gallons daily.

The Utility covenants that it has or will have the ability to provide the anticipated water flow for at least thirty years, and that it will provide that water flow. These covenants will be in effect until thirty years after the plat of the subdivision has been recorded and the Subdivision's water distribution system has been connected to the Utility's water supply system.

The Subdivider covenants that the water distribution system will be constructed as shown in the Plans and as provided for through the plat-approval process so that the residents of the lots of the Subdivision may receive drinking water service from the Utility. Upon completion of the water distribution system and upon its approval and acceptance by the utility, the Subdivider will convey to the Utility all right and title to the water distribution system.

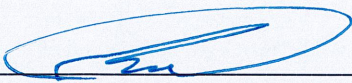
The Subdivider has paid the Utility the sum of \$40,200 which sum represents the total costs of water availability and annexation fees.

The above provisions notwithstanding, this Agreement shall no longer be in effect if the plat of the Subdivision is not approved by the City of Laredo or by municipality whose approval is required.

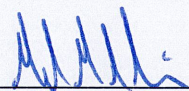
By affixing his or her signature to this Agreement, the person signing for the Utility warrants that he or she is authorized to sign this Agreement on behalf of the Utility. By affixing his or her signature to this Agreement, the person signing for the Subdivider warrants that he or she is authorized to sign this Agreement on behalf of the Subdivider.

This Agreement is effective on 4-20-, 2026.

The Utility

By: 
Printed Name: Dr. Tareq Al-Zabet
Office or Position: Director Utilities Department
Date: _____

The Subdivider: Border City Holdings, Inc.

By: 
Printed Name: Gerardo G.S. Salinas
Office or Position: President
Date: 4/13/26