

WASTEWATER SERVICE AGREEMENT

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

PARTIES: This Agreement is by and between the Utility and Subdivider, to wit:
The Utility is the governing board or owner of a retail public utility which provides wastewater treatment and is 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) know 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 wastewater collection system to be connected to the Utility's wastewater collection and treatment system. Such wastewater will consist of domestic sewage, i.e., waterborne human waste and waste from domestic activities such as bathing, washing, and food preparation. The Utility has reviewed the plans for the Subdivision (the Plans) and has estimated the wastewater flow project from the Subdivision under fully built-out conditions (the projected wastewater flow) to be approximately 36,260 gallons daily.

The Utility covenants that it has or will have the capacity to treat the projected wastewater flow and that it will treat that wastewater for at least thirty years. These covenants will be in effect until thirty years after the plat of the Subdivision has been recorded and the Subdivision's wastewater collection system has been connected to the Utility's wastewater treatment plant.

The Subdivider covenants that the wastewater collection 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 wastewater treatment service from the Utility. Upon completion of the wastewater collection system and upon its approval and acceptance by the Utility, the Subdivider will convey to the Utility all right and title to the wastewater collection system.

The Subdivider has paid the Utility the sum of \$37,610.22 which sum represents the total costs of wastewater annexation and GPM's fees.

The above provision 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.

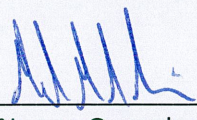
By affixing his or her signature to this Agreement, the person signing for the Utility warrants that he or she is authorized to sign this Agreement on behalf of the Utility. By affixing his or her signature to this Agreement, the person signing for the Subdivider warrants that he or she is authorized 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: 4/17/26

The Subdivider: Border City Holdings, Inc.

By: 
Printed Name: Gerardo G.S. Salinas
Office or Position: President
Date: 4/13/2026