

WATER SERVICE AGREEMENT

AGREEMENT REGARDING WATER SERVICE FOR THE PROPOSED
ROYAL ESTATES UNIT 2 SUBDIVISION

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 VIOLET WATER SUPPLY CORP

The Subdivider is GAMI L.P. GABE LOPEZ
who is the owner, or the authorized agent of the owner, of a tract of land in Nueces County, Texas, that has been proposed to be divided into a subdivision (the Subdivision) known as ROYAL ESTATES UNIT 2

TERMS: This Agreement is entered into in partial satisfaction of requirements under Texas Water Development Board's Economically Distressed Area Program Model Subdivision Rules. The Subdivider has prepared a plat of the Subdivision for submission to Nueces County 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 56,160 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 Subdivision 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 \$27,500.00 which sum represents the total costs of water meters, water rights acquisition fees, and all membership or other fees associated with connecting the individual lots in the Subdivision to the Utility's water supply system.

The above provisions notwithstanding, this Agreement shall no longer be in effect if the plat of the Subdivision is not approved by Nueces County or by a 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 1-22, 2018.

The Utility

By: William Ordner
Printed Name: WILLIAM ORDNER
Office or Position: PRESIDENT
Date: 1-22-18

The Subdivider:

By: Gabe Lopez
Printed Name: GABE LOPEZ
Office or Position: PRESIDENT
Date: 1-22-18