NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT #3

NOTICE OF MEETING
501 East Main Avenue
Robstown, Texas 78380
361-387-4549

Notice is hereby given that the Board of Directors of the Nueces County Water Control and Improvement District #3 will meet at 8:00 a.m., Tuesday, September 29, 2026, at 501 East Main Street, Robstown, Texas in a Special Meeting to discuss the following business:

Audience *– Those wishing to speak on an agenda item* ***MUST*** *sign in prior to the meeting to be recognized by the Chair for a 3-minute limit.*

Call meeting to Order

Pledge of Allegiance

Roll Call

Public Comment

Members of the public will have the opportunity to address the Board of Directors during this section on any Agenda Item or any subject within its jurisdiction except a matter related to pending litigation. Each speaker should sign in on the Public Comment Sheet available at the rear of the Boardroom at least five (5) minutes before commencement of the Board of Directors meeting. Speakers should limit their comments to three (3) minutes. The President of the Board may, if he deems it necessary, limit both the number of speakers and the time allotted to each speaker. Under the law, the Board of Directors may only take action on items specifically listed on the Agenda. Subject matter presented, which is not part of the Agenda will be referred to the staff for review and subsequent action. At least seven (7) copies of any document to be used by any speaker should be available for distribution. The speaker's name and, if applicable, Agenda Item number should be clearly marked on such documents.

A copy of the Agenda will be available on the District's web site at https://nueceswater3.com/ Public access to a recording of the telephonic meeting shall be made available upon request to the District Manager.

AGENDA:

1. Discuss and approve Treated Water Supply Contract between Nueces County Water Control and Improvement District #3 and Violet Water Supply Corporation.

2. Adjournment.

PUBLIC NOTICE is given pursuant to the Texas Open Meetings Act, V.T.C.A. Government Code Chapter 551 that the Board may elect to go go into executive session at any time during the above meeting to discuss subjects properly before it when authorized by the provisions of said Act.

I, the undersigned authority, hereby certify that the above Notice of Meeting of the governing body of the above-named political subdivision is a correct copy of the Notice and that I posted the Notice on the bulletin board for public notices in the political subdivision's administrative office located at 501East Main Avenue, Robstown, Texas, on the 23rd day of September 2026 at 1:30 p.m. and on our district's website www.nueceswater3.com.

By: Elizabeth Benavides
Elizabeth Benavides, Administrative Assistant
to Marcos Alaniz, District Manager

TREATED WATER SUPPLY CONTRACT BETWEEN
NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3
AND
VIOLET WATER SUPPLY CORPORATION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

This Contract for the supply of treated water, made as of this 29th day of September, 2026, by and between the Nueces County Water Control and Improvement District No. 3 ("District"), a water control and improvement district and political subdivision of the State of Texas, whose address is 501 East Main Avenue, Robstown, Texas 78380, which owns a water supply distribution system serving water users within the area described in its Certificate of Convenience and Necessity, acting by and through its duly authorized Representative ("District Representative") and Violet Water Supply Corporation (:Violet"), a Texas non-profit corporation, whose address is 3861 County Road 61, Robstown, Texas 78380, which owns a water distribution system acting by and through its duly authorized Representative ("Violet Representative").

This Contract is the only agreement of the parties relating to the sale, delivery, and use of treated water. Any prior understandings or written or oral agreements between the parties relating to the sale and use of treated water are superseded by this contract.

Violet wants to construct or have constructed an interconnection between the water delivery system of the District and the water supply delivery system of Violet for the purpose of the Violet receiving treated water for resale from the District.

In consideration of the above recitals and the mutual promises, covenants, and agreements in the Contract, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Term**. The term of this Contract shall be 5 years.

2. **Construction of Interconnect**.

a. Violet will construct or have constructed with materials provided by Violet, an interconnection between the water delivery systems of the District and the water supply delivery system of Violet for the purpose of Violet receiving treated water for resale from the District. The interconnect facility will include a connection to the District's existing 12-inch water line and Violet's existing 10-inch water transmission line at the Delivery Point and include the piping and a ground storage tank capable of holding up to 500,000 gallons of water. The design of the project as well as the supervision of the construction will be conducted by Violet. The District will have an opportunity to review plans and also to participate in the RFP/bid process to select a contractor.

b. Violet will be responsible for the permitting as well as the cost of the labor and materials to complete the project.

3. Use and Quantity of Water.

a. The District agrees to sell potable treated water, meeting Federal and State standards, to Violet and allow Violet to resell treated water for residential, municipal and commercial purposes in such quantity as may be required by Violet, but not exceeding a total of 1,500,000 gallons per day

b. Notwithstanding anything to the contrary contained herein, the District will consider the District's planned needs and the needs of its other water customers before committing to the delivery of any treated water to Violet.

4. Point of Delivery.

a. Title to and possession of the treated water passes to the Violet at the point of delivery. The District will deliver the treated water to a delivery point located at FM 1694 and Callicoate Road in the City of Robstown, Nueces County, Texas.

b. The treated water will be delivered at the minimum operating pressure required by the Texas Commission on Environmental Quality ("TCEQ").

5. Measurement of Treated Water.

a. The treated water delivered under this Contract must be measured in U.S. standard gallons by a suitable water meter or meters to be installed and maintained by the District at the Point of Delivery, which shall be accurate within 2%, either plus or minus. The District's Director of Water Operations may specify the type of meter or meters to be used and the installation design of the meter or meters. Checks as to the accuracy of the meter or meters will be conducted annually by the Director of Water Operations, at Violet's sole expense. The District's Director of Water Operations will notify Violet's Representative in writing 10 days in advance of all annual checks and tests in order that Violet may have a representative present as a witness. If Violet's Representative fails for any reason to be present for a check, the District may nevertheless proceed with the test and the District's findings shall be conclusive. The District shall notify Violet of the results if the Violet Representative is not present.

(1) If either the District's Director of Water Operations or Violet's Representative, at any time, notifies the other that it desires a special test of any meter, the parties will cooperate in arranging for a special test to be made by the District.

(2) The expense of the special test of the meter or meters will be paid by the party requesting the test.

(3) If, on any test, the meter tested is found to be inaccurate by an amount exceeding 2%, either plus or minus, then any previous readings of the meter will be credited for any period of inaccurate measurement, but no credit will extend back over a period beginning more than 30 days prior to the time when the inaccuracy was first made known by either party to the other.

(4) If, for any reason, the meter or meters are out of service so that the volume of treated water delivered cannot be ascertained or computed, the treated water delivered during the period the meter or meters are out of service will be estimated

by the District's Director of Water Operations, in consultation, with Violet's Representative, upon the basis of the best data available.

b. The District will read the meter or meters on or about the last day of each month and will determine from these readings the amount of treated water delivered to the District. All meter readings will be made available to Violet's Representative during the District's reasonable office hours.

6. Price of Treated Water.

a. The price to be charged for treated water sold by the District to Violet is the published Resale for Treated Water Rates established by District Resolution, including the monthly minimum charge for a treated water customer, plus the raw water cost adjustment ("RWCA") which are in effect at the time of delivery. The RWCA will be calculated on a monthly basis and determined by dividing the most recently available costs of raw water by the system-wide average volume of untreated raw water sales for the prior twelve-month period. The RWCA will be adjusted on a monthly basis to account for differences in volumes used in the prior calculation and the actual volume of water sales for that month. A copy of the current water rate and raw water cost adjustment ordinance is attached as Exhibit "A". Changes in the raw water cost adjustment are automatic, and Violet will be billed the adjusted rate. The resolution is subject to change at the sole discretion of the District's Board of Directors. The District's Director of Water Operations will provide Violet's Representative with a copy of any modifications to the resolution, which will be attached to this Contract as the new Exhibit "A-1".

The actual method for computing untreated water cost is filed with the District's Administrative Assistant. A copy of the current policy is attached as Exhibit "B". The District's Director of Water Operations will provide Violet's Representative with a copy of any modifications to the policy, which will then be attached to this Contract as the new Exhibit "B-1".

b. When the District intends to change the rate, the District shall give Violet notice of the proposed change, and any information necessary to evaluate the proposed rate ninety (90) days before the change is to take effect. Violet shall give good faith consideration to the proposed new rate and shall attempt to provide the District with its comments on the proposed change not later than forty-five (45) days before the proposed change is to take effect. The District shall give good faith consideration to Violet's comments but may institute the new rate on the date the change is scheduled to take effect.

c. The parties agree and acknowledge that the District is evaluating, going forward, implementing consistent wholesale contract provisions such as supply limits, limitations on maximum supply, peaking limitations, resale provisions, development of other supply provisions, etc., so that wholesale contract provisions conform to district policy and are consistent among all of the wholesale parties. To the extent that the District defines and interprets policy, and adopts, in order to implement that policy, provisions relating to a maximum supply limit, a supply limit rate, a capacity reserve, a minimum charge related to the extent of the reservation, a peaking limitation, limitations on the ability to resell water, etc., the parties agree to consider implementing those contract provisions under Section 6 of this contract, to the extent such provisions are reasonable and fair to both parties.

d. In no event may any provision in this Contract be interpreted to exempt Violet from any resolution passed by the Board of Directors.

7. Billing.

a. All treated water taken in any one calendar month will be billed between the first and tenth of the next succeeding calendar month, and Violet will pay the bill within 10 days of receipt of the bill. Any clerical error in the bill or question regarding the bill is not sufficient grounds to delay payment by Violet to the District. Any adjustments in the amount paid as a result of the agreement will be added to or deducted from the following month's bill.

Any failure by Violet to pay the monthly billing within 30 days after the billing date is a "default" under Section 17 of this Contract. In the event it becomes necessary to collect the charges, through any Court procedure, the District is entitled to also recover reasonable attorney's fees. If Violet fails to pay its water bills, the District, at its discretion, may terminate this Contract in its entirety, require the payment in advance of each monthly water bill based on Violet's previous bill plus a deposit, as a condition to furnishing treated water to Violet, or avail itself of any other legal remedy. Violet, its officers and directors, and the District, its officers and administrative staff each recognize that there are many advantages to using mediation to settle any and all legal disputes and claims, including, but not limited to, disputes over the billing for water provided by the District to Violet pursuant to this agreement. For many reasons, lawsuits and court actions are disadvantageous to both Violet and the District and that the many benefits and advantages to all parties including speed of process, cost effectiveness, use of trained and professional problem solvers, privacy and confidentiality, and complete due process and fairness to all parties. In consideration of these many benefits and other consideration, Violet and the District have agreed that disputes between the parties arising out of this agreement shall be governed by alternate dispute resolution of all claims and disputes between them. Any claim or dispute between Violet and the District arising out of this agreement shall be resolved, as follows: (1) by attempting settlement by mediation, under the Mediation Rules set forth in Chapter 154 of the Texas Civil Practice and Remedies Code, with the mediator being selected by agreement of the parties or by request for appointment of a mediator made to the senior United States District Judge for the Southern District of Texas, Corpus Christi Division, if the parties cannot agree on a mediator.

8. Restrictions on Resale.

a. Other than to existing wholesale water suppliers, if any, Violet is strictly prohibited from selling the treated water obtained under this contract to any customer for resale of the water to others. Violet is prohibited from selling water under any other name other than the Violet Water Supply Corporation. Violet agrees to provide in every customer contract the following language, to be made conspicuous with uppercase type font or bolded with text at least one font-size larger than the surrounding text: YOU ARE STRICTLY PROHIBITED FROM SELLING ANY WATER PROVIDED TO YOU UNDER THIS AGREEMENT BY THE VIOLET WATER SUPPLY CORPORATION.

9. Alternative Supplies.

a. Nothing in this Contract prohibits the Violet from obtaining treated water from sources other than the District.

b. Before Violet commingles waters from different sources within its distribution system, Violet shall notify District's Director of Water Operations. The District's Director of Water Operations may require Violet to install an appropriate backflow prevention device at all points where Violet's water distribution system connects with the District's water distribution system.

10. Water Rights.

a. It is mutually agreed and understood that the Nueces River Basin, and other future waters, whether surface waters or ground waters, obtained by the District, which are not under Contract to others, and which are owned by the District, may be used to supply water during the time this Contract remains in force.

b. This Contract is subject to the District's responsibility and obligation to provide water to municipal and industrial consumers within the District's service area described in its Certificate of Convenience and Necessity and other municipal and industrial consumers outside its service area.

c. Subject to the District's obligations under any Environmental Protection Agency ("EPA") or Texas Commission on Environmental Quality ("TCEQ") requirements or standards, to be interpreted and determined solely by the District, the District binds and obligates itself, however, to take the necessary actions within its power and to make the necessary applications to obtain whatever additional water rights as may be necessary to adequately meet the needs of its existing contracts, this Contract, and any future contractual obligations of the District, and, if requested by the District, Violet shall support the District's action, in the manner requested by the District.

d. It is also mutually agreed and understood that this Contract is subject to the jurisdiction of the Texas Commission on Environmental Quality ("TCEQ"), any successor agency, or any other regulatory authority that may have jurisdiction over the matters.

e. Violet agrees to support any future District requests to the TCEQ or other regulatory authorities for permission to acquire or amend its water rights or provide water to Violet and other customers, unless such action would adversely affect Violet.

f. The District agrees to support any Violet requests to TCEQ or other regulatory authorities for permission to distribute treated water purchased by Violet from the District under this Contract.

11. District's Storage and pumping Requirements.

a. Any storage facilities must be built and maintained to standards adopted by the TCEQ, or any other regulatory authority.

b. Pump intakes connected directly to the Violet's water lines or the District's supply main are prohibited.

c. The transmission and distribution piping construction and operation downstream from the District's meters serving Violet shall meet the requirements of the TCEQ; Rural Development, United States Department of Agriculture; and any other governmental agency having jurisdiction. If there is a conflict between standards, the most stringent standards shall apply.

d. Violet shall institute a program to control unaccounted for water losses consistent with the requirements of the District, as directed by the Director of Water Operations. The Director of Water Operations may request, at any time, that Violet submit its Water Loss Control Program for approval. Within 30-days of such request, Violet shall submit to the Director of Water Operations a plan of action for instituting a Control Program, approval of which the District shall not unreasonably withhold. The failure of Violet to comply with this Section of the Contract is a

"default" under Section 17 of this Contract. The parties agree to confer and coordinate to assist Violet, in Violet's efforts to ensure that its Water Loss Program is consistent with the District's requirements.

e. Violet agrees that the District has the right to inspect its system at any and all times during normal business hours. If Violet's system or any portion thereof does not meet TCEQ's standards for an interim rural water supply, Violet shall bring its system, or any portion of its system, up to TCEQ's standards.

12. Violet's Right to Sell Treated Water. Violet, with the express written consent of the Board of Directors of Violet, retains the right to sell treated water at points and to customers located within and outside Violet's service area in District's Certificate of Convenience and Necessity, consistent with applicable law. The District shall not execute any plans for new service extensions within Violet's service area unless and until it obtains the Board of Directors of the District's consent to provide said service.

13. Water Conservation and Drought Contingency Measures.

a. Violet agrees that during the term of this contract, it shall have in effect a water conservation and drought management plan consistent with the District's plan, including any changes adopted by the District. Violet also agrees to bind future customers and its existing customers upon contract renewals to develop and have in effect a water conservation and drought management plan consistent with the District plan.

b. If the District implements any measures under its Water Conservation and Drought Contingency Plan, Violet shall within 30 days of notice of any changes to the plan or the implementation of any restrictions, surcharges, or rationing by the District, impose similar restrictions, surcharges, or rationing measures on its customers. Any contract for the resale of water furnished by Violet shall contain a similar condition. If for whatever reason Violet, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures within the required time period, Violet, or its customer, shall reduce its consumption of water from the system by the amounts set forth in the District's Draught Contingency Plan adopted by the Board of Directors on the 21st day of May, 2021.

c. If for whatever reason Violet, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures within the required time period, but relies upon other sources of water for all or a portion of its water requirements, Violet, or its customer, agrees not to request an increase in the amount of water being diverted from the system should Violet's, or its customer's, other source(s) of water fail to continue to yield the amounts of water anticipated.

d. To the extent that the TCEQ or other regulatory agency requires rationing of water in a manner stricter than that imposed by the District, Violet will comply with the stricter method of rationing water.

e. Violet shall furnish a copy of any resolutions, orders, or rules adopted by it or its customers that is adopted to implement the required restrictions, surcharges, or rationing measures within the applicable jurisdiction. If for whatever reason Violet, or its customer, is unable or unwilling to impose the required restrictions, surcharges, or rationing measures, the District may audit the records of Violet to ensure that Violet or its customer has reduced its deliveries by the amount required by this Section.

f. The failure of Violet to comply with this Section of the Contract is a "default" under Section 17 of this Contract.

g. Upon Violet's failure to cure a default of this Section 17, provided the District has provided Violet with written notice of the default and an opportunity to cure within a period of not less 30 days, the District is authorized to reduce its deliveries of water to Violet if Violet or its customer has not, in the sole opinion of the District, adequately imposed restrictions under this Section of the Contract.

14. Force Majeure. If the District or Violet is prevented, wholly or in part, from fulfilling its obligations under this Contract by reason of circumstances both beyond its reasonable control and unforeseeable, including any act of God, unavoidable accident, acts of enemies, fires, floods, rationing, governmental restraint or regulation, other causes of force majeure, then the obligations of the District or Violet, as provided in this Contract, are temporarily suspended during continuation of the force majeure. This section does not extend to any default or failure to perform due to labor shortages or strikes or economic hardship. If a party's delay in performance is excused under this section, the delay will only be for the period the party was actually delayed in performance by the event outside of its reasonable control. No damage is recoverable by Violet from the District by reason of the temporary suspension of delivery of water due to any of the causes above mentioned. If the District's obligation is affected by any of the causes, the District will promptly notify Violet's Representative in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

15. Resolution of Rate Disputes. In the event of any dispute as to the rates being charged, the District and Violet agree that the dispute will be appealed to the TCEQ, under applicable TCEQ rules, to the extent that the TCEQ has jurisdiction over the issue. The District and Violet agree to cooperate to satisfy any jurisdictional requirements that the TCEQ may require for it to determine the rate. In the event that the TCEQ or another dispute resolution agency of the State of Texas fails or refuses to hear an appeal of the wholesale water rate charged by the District, then, in that event, Violet can contest the proposed wholesale water rate in the appropriate court in Nueces County, Texas.

16. Violet's Right to Terminate. If Violet's need for water from the District should cease for a period of at least 30 days, Violet may, by giving 30 days written notice to District, by certified mail, terminate this Contract in Its entirety. If Violet actually gives the District written notice, then, in that event this Contract expires 30 days from the date the notice is mailed to the District and this Contract and all of its provisions shall become null and void.

17. Remedies Upon Default.

a. If either party determines that the other party is in default under this Contract, the party claiming default by the other party shall give written notice to the other party, which states specifically the nature of the default and the remedy for the default that the party intends to seek. The notice must be mailed to the defaulting party at the address provided in Section 20 of this Contract. The defaulting party has or will have ninety (90) days in which to cure the default, or if the default cannot be reasonably cured within the ninety (90) day period, the defaulting party shall use reasonable efforts to undertake to cure the default within the ninety (90) day period. If the defaulting party does not cure the default and reimburse the party not In default for any and all costs incurred as a result of the breath within ninety (90) days, or if the default cannot be reasonably cured within the ninety (90) day period, or If the defaulting party does not use reasonable efforts to undertake to cure the default and reimburse the party not in default for

any and all costs incurred as a result of the breach within the ninety (90) day period, the party claiming default may seek any remedy available at law or equity, including an action in mandamus or for specific performance.

b. No waiver of any breach or default by any party or of performance may be deemed a waiver in the future, nor may any waiver be deemed or construed to be waiver of subsequent breach or default of any kind, character, or description, under any circumstances.

c. However, the right to cure a default may not prevent the District from enforcing Section 17 of this Contract if the District has imposed water conservation measures upon its residents.

18. Assignment. This Contract may not be assigned by Violet without the prior written consent of the governing body of the District, which consent will not be unreasonably withheld, unless the assignment would alter or restrict the District's rights under this Contract. Notwithstanding the above and forgoing, the District agrees that Violet may pledge this Contract as security for a loan with the United States Department of Agriculture, Rural Development Division, to be used for the installation of water lines within the certificated area of Violet as set forth in its Certificate of Convenience and Necessity numbered 10920, issued by the Public Utility Commission of Texas.

19. Non-Curable Material Breach by Violet. Each of the following is a non-curable breach under this Agreement:

a. Any representation or warranty of Violet contained herein that is knowingly false or misleading in any material respect as of the date made or deemed to have been made; or

b. Violet (1) admits in writing its inability to pay its debts as they become due or (2) file a petition in bankruptcy or for the reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief, or have or suffer to be filed an involuntary petition in bankruptcy against it which is not contested and discharged within sixty (60) days, or (3) make an assignment for the benefit of creditors, or (4) consent to an appointment of a trustee or receiver for all or a major portion of its property, or (5) be finally adjudicated a bankrupt or insolvent under any federal or state law, or (6) suffer the entry of a court order, any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order, if not consented to by it shall not be vacated, denied, set aside or stayed within sixty (60) days after the date of its entry, or (7) suffer the entry of a final judgment for the payment of money and the same shall not be discharged or a provision made for its discharge within thirty (30) days from the date of entry thereof or an appeal or other appropriate proceeding for review thereof shall not be taken within said period and a stay of execution pending such appeal shall not be obtained, or (8) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property and such writ or warrant of attachment or similar process is not stayed or is not released within forty-five (45) days after its entry or levy or after any stay is vacated or set aside, or (9) suffer the placing of a judgment lien on its property and failure to cause such lien to be released and discharged within forty-five (45) days from the date such lien took effect; or

c. Violet conceals, removes or permits to be concealed or removed, any part of its property with the intent to hinder, delay or defraud its creditors or shall make any transfer of any of its property to, or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or suffer or permit while insolvent any creditor to obtain a lien upon its property through legal proceedings, which lien is not vacated within thirty (30) days from the date thereof; or

d. Violet:

1) fails to make payment to the District for any month or period of time;

2) fails to notify the District of any customer who resells water obtained under this Contract.

20. **Authority to Execute.** Both parties represent that the individual signing this Contract on behalf of each of the parties has been duly authorized to execute this Contract by proper ordinance or resolution of its governing body (e.g., the District's Board of Directors and Violet's Board of Directors), and certified copies of the authorizations have been provided to the other party for attachment to this Contract. The District's authorization shall be Exhibit "C", and Violet's authorization shall be Exhibit "D".

21. Notices and Addresses. Any notice, communication, or statement required to be given pursuant to this Contract will be in writing and deemed to have been received when delivered in person or three (3) days after mailing if sent by certified mail, postage prepaid, return receipt requested, to the address of the respective party indicated below:

Nueces County Water Control
and Improvement District No. 3
Attn.: District Manager
501 East Main Avenue
Robstown, Texas 78380
Phone: (361) 387-3350

Violet Water Supply Corporation
Attn: Manager
3861 County Road 61
Robstown, Texas 78380
Phone: (361) 387-2614

22. Regulatory Agencies. Violet and the District agree that the effectiveness of this Contract is subject to the jurisdiction of the TCEQ and is dependent upon compliance with the regulations in Title 31, Texas Administrative Code, Chapter 295 and 297, Subchapter J., and any amendments thereto.

23. Periodic Review of Contract Provisions. Violet and the District agree to review the terms and conditions set forth herein every five (5) years to determine whether or not a change in circumstances may require an amendment to this agreement. If a party determines that a change in circumstances requires an amendment then, in that event, the party recommending the amendment shall notify the other party in writing of the proposed amendment. The receiving party shall then have a period of thirty (30) days to review the proposed amendment and to advise, in writing either its acceptance of the proposed amendment, its objections to the proposed amendment or an offer

of a counterproposal. In the event the parties are unable to agree on a proposed amendment, then, in that event, the parties agree to submit to the alternate dispute resolution process set forth in **Paragraph 7. Billing**, as set forth hereinabove.

24. Severability. In case any one or more provisions contained in this Contract is for any reason held to be invalid, Illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability does not affect any other provision of this Contract, and this Contract will be construed as if the invalid, illegal, or unenforceable provision had never been contained in this Contract.

25. Captions. All titles of the sections of this Contract have been inserted for convenience of reference only and are not considered a part of this Contract and in no way will they affect the interpretation of any provisions of this Contract.

26. Modifications. Any amendments, or alternative or supplementary agreements, to this Contract must be made in writing and duly executed by an authorized Representative or agent of each of the parties to this Contract.

27. Parties at Interest. This Contract is for the sole and exclusive benefit of the parties and shall never be construed to confer any benefit on any third party. This Contract will be binding upon and inure to the benefit of the parties and their respective successors and assigns where permitted by this Contract.

28. Texas Law to Apply. This Contract will be construed under and in accordance with the laws of the State of Texas.

29. Venue. Any action or proceedings relating to this Contract must be taken in Nueces County, Texas. The parties agree that the courts in Nueces County, Texas, shall have exclusive jurisdiction over this agreement.

30. Prior Agreements Superseded. This Contract constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

31. All Agreements Contained in this Written Instrument. This Contract represents the entire agreement between the Violet and the District and supersedes all prior negotiations, representations, or agreements either oral or written.

The parties have executed this Contract in multiple counterparts; each executed copy shall be considered as an original, by their respective duly authorized Representatives, this _____ day of September 2026.

"DISTRICT"

NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

_____
Ram Alejandro
President

ATTEST:

_____
Belinda "Shorty" Valadez
Secretary

Approved as to legal form this 29th day of September 2026.

Charles W. Zahn, Jr.
District's Attorney

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the 29th day of September 2026, by Ram Alejandro, President, Nueces County Water Control and Improvement District No. 3, a water control and improvement district, on behalf of said district.

_____
NOTARY PUBLIC – STATE OF TEXAS

"VIOLET"

VIOLET WATER SUPPLY CORPORATION

_____
Sam Morris
President

ATTEST:

_____
Angela Skoruppa
Secretary

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the 29th day of September 2026, by Sam Morris, President of Violet Water Supply Corporation, a Texas non-profit corporation, on behalf of said corporation.

_____
NOTARY PUBLIC – STATE OF TEXAS