

AGREEMENT FOR FUNDING, CONSTRUCTION,
AND MAINTENANCE OF
WASTEWATER TREATMENT FACILITIES

BETWEEN
THE CITY OF WILLOW PARK, TEXAS
AND
THE CITY OF HUDSON OAKS, TEXAS

DATED AS OF _____, 2024

**INTERLOCAL AGREEMENT FOR FUNDING, CONSTRUCTION, AND
MAINTENANCE OF WASTEWATER TREATMENT FACILITIES**

STATE OF TEXAS §
 §
COUNTY OF PARKER §

This Interlocal Agreement for Funding, Construction and Maintenance of Wastewater Treatment Facilities (the “Agreement”) is made and entered into on this _____ day of _____, 2024 (the “Effective Date”), by and between the City of Hudson Oaks, Texas (“Hudson Oaks”), and the City of Willow Park, Texas (“Willow Park”), sometimes jointly referred to as the “Parties”.

RECITALS

WHEREAS, Hudson Oaks and Willow Park are political subdivisions of the State of Texas and are authorized to enter into agreements with each other relative to governmental functions and services by the Interlocal Cooperation Act, Texas Government Code, Chapter 791; and

WHEREAS, Hudson Oaks and Willow Park each own, operate, and maintain wastewater collection systems to service customers within their respective city limits and services areas; and

WHEREAS, Hudson Oaks currently contracts with another entity for treatment of Hudson Oaks’ wastewater; and

WHEREAS, Willow Park currently treats its own wastewater at its existing wastewater treatment plant located at 30 Crown Road, Willow Park, Texas which is undersized for Willow Park’s future needs (the “Existing Wastewater Treatment Plant”); and

WHEREAS, Willow Park has designed and is in the process of constructing a new larger wastewater treatment plant to be located at 420 J.D. Towles Road, Willow Park, Texas (the “New Wastewater Treatment Plant”); and

WHEREAS, Hudson Oaks desires to participate in the cost of the design, construction, operation, and maintenance of the New Wastewater Treatment Plant and necessary appurtenances and facilities (jointly referred to herein as the “Willow Park Wastewater Treatment Facilities”) and the Hudson Oaks’ wastewater transmission facilities necessary to connect to the New Wastewater Treatment Plant (the “Hudson Oaks Wastewater Transmission Line”), in exchange for the right to use up to the specified capacity of the New Wastewater Treatment Plant for treatment of Hudson Oaks’ wastewater as set forth herein (the Willow Park Wastewater Treatment Facilities and the Hudson Oaks Wastewater Transmission Line are sometimes collectively referred to herein as (the “Wastewater Treatment Facilities”); and

WHEREAS, Hudson Oaks and Willow Park desire to enter into this Agreement to

document the financing, design, construction, ownership, operation, and maintenance of the Wastewater Treatment Facilities; and

WHEREAS, the governing bodies of Hudson Oaks and Willow Park find that this Agreement is to their mutual benefit and to the benefit of the health, safety, and welfare of their respective citizens, that the performance of this Agreement is in the common interest of both Parties, and that the division of costs provided for constitutes adequate consideration to each of the Parties.

NOW, THEREFORE, in consideration of the foregoing, and on the terms and conditions hereafter set forth, the Parties, for good and valuable consideration, specifically the mutual promises and agreements contained herein, hereby contract, covenant and agree as follows:

1. PURPOSE; EFFECTIVE DATE; TERM.

1.1. The purpose of this Agreement is to provide for the financing, design, construction, ownership, operation, and maintenance of the Willow Park Wastewater Treatment Facilities and the Hudson Oaks Wastewater Transmission Line.

1.2. The Effective Date of this Agreement is the date the Agreement is entered into as set forth in the introductory paragraph.

1.3. The term of this Agreement shall commence on the Effective Date and expire twenty (20) years later, unless extended by the mutual agreement of the Parties.

2. DEFINITIONS.

2.1 **Capital Improvements** means any of the following facilities which provide utility services and benefits common to all customers and that have a life expectancy of three or more years, including any additions or upgrades to the Willow Park Wastewater Treatment Facilities or the Hudson Oaks Wastewater Transmission Line, as defined below, whether such capital improvements are located within the jurisdictional limits of Willow Park or Hudson Oaks, identified on the attached Exhibit ____.

2.2 **Construction Costs** means the cost of design; legal, consulting, and engineering fees; permitting; land and easement acquisition; and construction costs, including procurement of all necessary materials, for the Willow Park Wastewater Treatment Facilities or the Hudson Oaks Wastewater Transmission Line, and the Cost of Capital for each.

2.3 **Cost of Capital** means all costs and expenses, debt service, principal, interest, and other common debt service costs, including fees, closing costs, engineering fees, bond costs and legal expenses, and lender or bank fees associated with each such financing of the Construction Costs for the Willow Park Wastewater Treatment Facilities or the Hudson Oaks Wastewater Transmission Line.

2.4 **Hudson Oaks System** means the Hudson Oaks wastewater transmission system

within Hudson Oaks.

2.5 ***Hudson Oaks Wastewater Transmission Line*** means the wastewater transmission line, metering equipment and related facilities to be constructed by Hudson Oaks to deliver all of Hudson Oaks' wastewater to the New Wastewater Treatment Plant.

2.6 ***New Wastewater Treatment Plant*** means the new 750,000 gallon per day wastewater treatment plant being constructed by Willow Park and located at 420 J.D. Towles Road, Willow Park, Texas as described herein.

2.7 ***Operation and Maintenance Costs*** means the costs incurred to operate and maintain the Willow Park Wastewater Treatment Facilities or the Hudson Oaks Wastewater Transmission Line, and related Capital Improvements including, but not limited to, direct expenses, personnel and personnel related expenditures (including personnel benefits), utilities, chemical costs, permitting fees and all other costs required to operate and maintain the foregoing facilities.

2.8 ***Wastewater Treatment Facilities*** shall mean the proposed new 750,000 gallon per day New Wastewater Treatment Plant and all wastewater transmission lines, effluent lines, and other appurtenances necessary to transport Hudson Oaks and Willow Park wastewater to the New Wastewater Treatment Plant for treatment, and specifically includes the following components, as described herein:

- Hudson Oaks Wastewater Transmission Line;
- Willow Park Effluent Line; and
- New Wastewater Treatment Plant.

2.9 ***Willow Park Effluent Line*** means the lines and related facilities to convey raw wastewater from the Existing Wastewater Treatment Plant to the New Wastewater Treatment Plant; to convey treated effluent to the existing discharge location; to convey treated effluent to Squaw Creek Golf Course; a lift station to pump treated effluent to both the existing discharge location and the Squaw Creek Golf Course location.

2.10 ***Willow Park System*** means the Willow Park wastewater transmission system within Willow Park.

3. CONSTRUCTION OF WASTEWATER TREATMENT FACILITIES.

3.1 Design, Construction, Ownership, and Maintenance. The Wastewater Treatment Facilities to be constructed shall consist of the following, as more particularly described and depicted in the attached Exhibit ____:

3.1.1 The Hudson Oaks Wastewater Transmission Line shall consist of a lift station, meter, and ____ inch (____") force main wastewater transmission line along East Bankhead Drive in Hudson Oaks to a point at Kingswood Road in Willow Park where the force main becomes

a ____ inch (____”) gravity flow main into the New Wastewater Treatment Plant, as further described and depicted in the attached Exhibit _____. The Hudson Oaks Wastewater Transmission Line shall include a metering station at the lift station in Hudson Oaks, to meter the wastewater flow by Hudson Oaks into the New Wastewater Treatment Plant. Hudson Oaks will pay all design and construction costs to tie the Hudson Oaks Wastewater Transmission Line into the New Wastewater Treatment Plant. The Hudson Oaks Wastewater Transmission Line shall be designed and constructed by Hudson Oaks, at its sole cost and expense. Prior to commencing construction of the Hudson Oaks Wastewater Transmission Line, Hudson Oaks will provide the design drawings and construction plans to Willow Park so that Willow Park’s engineer may review the drawings and construction plans. Hudson Oaks will not commence construction until Willow Park approves the drawings and plans, such approval to be provided within a reasonable time and not unreasonably withheld. Willow Park shall have the right to inspect the construction of the transmission line and related facilities to tie in the transmission line into the New Wastewater Treatment Plant. Upon completion of construction, Hudson Oaks shall own and maintain the Hudson Oaks Wastewater Transmission Line.

3.1.2 The Willow Park Effluent Line consists of: (a) a 12” inch line to convey raw wastewater from the Existing Wastewater Treatment Plant to the New Wastewater Treatment Plant; (b) a 12” inch line to convey treated effluent to existing discharge location, approximately 870 linear feet, running along the same path as the raw discharge line described in (a); (c) a 10” line to convey treated effluent to Squaw Creek at the Squaw Creek Golf Course, approximately 5,200 linear feet, running across the Trinity River from the New Wastewater Treatment Plant, through an easement across the Wilks property, generally northeast to Royal View Drive and along Royal View to the golf course and into the SCL lake; and (d) a lift station at the New Wastewater Treatment Plant to pump treated effluent from both discharge locations. The Willow Park Effluent Line shall be designed, constructed, owned, and maintained by Willow Park, at its sole cost and expense, except that Hudson Oaks agrees to pay for a portion of the design, construction, operation, and maintenance cost of the Willow Park Effluent Line as further detailed in Section 3.2 and Section 6. below for the privilege of connection and treatment of Hudson Oaks’ wastewater at the New Wastewater Treatment Plant.

3.1.3 The New Wastewater Treatment Plant shall be located generally at located at 420 J.D. Towles Road, Willow Park, Texas consisting of a minimum 750,000 gallon per day package wastewater treatment plant, as further described and depicted in the attached Exhibit _____. The New Wastewater Treatment Plant shall be designed, constructed, owned, and maintained by Willow Park at its sole cost and expense, except that Hudson Oaks agrees to pay for a portion of the design, construction, operation, and maintenance cost of the New Wastewater Treatment Plant as further detailed in Section 3.2 and Section 6. below for the privilege of connection and treatment of Hudson Oaks’ wastewater at the New Wastewater Treatment Plant.

3.2 Construction Costs and Responsibilities for the Willow Park Wastewater Treatment Facilities.

3.2.1 The estimated Construction Costs of the Willow Park Wastewater Treatment Facilities is estimated to be Eighteen Million Three Hundred and Ninety Thousand Dollars (\$18,390,000), as set forth in the attached Exhibit _____. The final Construction Costs of

the Willow Park Wastewater Treatment Facilities shall not be established until after the New Wastewater Treatment Plant is completed, and any work on the Willow Park Wastewater Effluent Line has been completed, and shall include any change orders on the construction contract(s). Willow Park has entered into a final construction contract with Gracon Construction for the New Wastewater Treatment Plant, but any other construction contracts for any work on the other Willow Park Wastewater Treatment Facilities that has not been previously completed prior to the Effective Date of this Agreement shall be provided to Hudson Oaks, who shall approve the final construction contract(s), in writing, promptly after its receipt, and any change orders issued by Willow Park during the construction of the Willow Park Wastewater Treatment Facilities. Willow Park shall provide the construction contract entered into by and between Willow Park and Gracon Construction for the New Wastewater Treatment Plant as a courtesy to Hudson Oaks.

3.2.2 Willow Park shall be responsible for bidding and/or seeking competitive proposals for the engineering/design of the Willow Park Wastewater Treatment Facilities, and for bidding the construction contracts for the Willow Park Wastewater Treatment Facilities, in accordance with state procurement laws. To the extent that they are not already retained and/or selected by Willow Park, Willow Park and Hudson Oaks agree that the selection of all consultants and contractors for the Willow Park Wastewater Treatment Facilities shall be mutually agreed upon, to the extent consistent with the state procurement laws.

3.2.3 Hudson Oaks agrees to reimburse Willow Park a sum equal to twenty percent (20%) of the final Construction Costs of the Willow Park Wastewater Treatment Facilities (the "Final Construction Costs of the Willow Park Wastewater Treatment Facilities"). Such reimbursement payment by Hudson Oaks to Willow Park shall be made at Willow Park's final acceptance of the New Wastewater Treatment Plant. If Hudson Oaks fails to make such payment after thirty (30) days from receipt of an invoice from Willow Park, Hudson Oaks shall be in breach of this Agreement, and Willow Park may take any action as authorized by Section 8 hereof, including disconnection of Hudson Oaks from the New Wastewater Treatment Plant, and/or applicable state law. In addition, in the event a payment by Hudson Oaks is not paid to Willow Park as specified herein, a late fee of One Thousand Dollars (\$1,000.00) shall be imposed together with a finance charge of ten percent (10%) per annum from the date that payment was required to be made. If service to Hudson Oaks is disconnected, service to Hudson Oaks will not be reconnected and reinstated until all payments owed to Willow Park are current. The disconnection of Hudson Oaks from the New Wastewater Treatment Plant shall not alleviate Hudson Oaks' payment obligations for its portion of the Final Construction Costs of the Willow Park Wastewater Treatment Facilities as specified herein.

3.2.4 Willow Park and Hudson Oaks shall approve change orders (if any) for the New Wastewater Treatment Plant or the other Willow Park Wastewater Treatment Facilities for any work performed after the Effective Date of this Agreement.

3.2.5 Willow Park shall be responsible for the New Wastewater Treatment Plant's construction oversight, inspection, and acceptance of the New Wastewater Treatment Plant.

3.2.6 The construction timeline for the New Wastewater Treatment Plant shall be 565 days after issuance of the Notice to Proceed, which occurred on March 1, 2024.

3.2.7 Division of assets and liability: For the purpose of tracking fixed assets and debt liabilities for the Parties Certified Annual Financial Reports, the Parties agree to take on a pro rata share of the fixed assets and debt liabilities associated with the Willow Park Wastewater Treatment Facilities per the following percentages:

Willow Park 80%
Hudson Oaks 20%

This provision is intended to allow both entities to depreciate their share of the fixed assets and properly account for each City's obligations under this Agreement.

3.3 Construction Costs and Responsibilities for the Hudson Oaks Wastewater Transmission Line.

3.3.1 Hudson Oaks shall be solely responsible for the engineering/design, bidding, and construction costs for the Hudson Oaks Wastewater Transmission Line.

3.3.2 Hudson Oaks shall be responsible for construction oversight, inspection, and acceptance of the Hudson Oaks Wastewater Transmission Line. Willow Park, including its engineers, shall have the right to inspect and agree upon the acceptance of the Hudson Oaks Wastewater Transmission Line.

4. TREATMENT OF HUDSON OAKS' WASTEWATER.

4.1 Hudson Oaks desires to contract for wholesale wastewater service, and Willow Park desires to provide wholesale wastewater service to Hudson Oaks at the New Wastewater Treatment Plant. Specific terms and conditions of such wholesale wastewater service shall be documented in a separate wholesale wastewater service agreement between Willow Park and Hudson Oaks but shall include the terms and conditions contained in this Section 4 and consistent with the provisions of this Agreement.

4.2 As a condition precedent to receiving wholesale wastewater service from Willow Park, Hudson Oaks understands and agrees that it shall comply with, and adopt an ordinance comparable to, Willow Park's ordinance, Article 13.09 of the Code of Ordinances of Willow Park, establishing a pretreatment program and grease trap/interceptor installation requirements. If Willow Park determines that the wastewater delivered by Hudson Oaks to Willow Park at the New

Wastewater Treatment Plant violates any provisions of Article 13.03, Division 3, Hudson Oaks shall pay the penalties to Willow Park as provided in Section 1303.043 of the Code of Ordinances of Willow Park, no later than thirty (30) days after receiving the invoice from the City for the violation. If Hudson Oaks violates the terms of the pretreatment/grease trap ordinance more than three (3) times in a two-year period, Hudson Oaks shall be in breach of this Agreement and Willow Parks shall have all the rights and remedies provided in Section 8 of this Agreement.

4.3 In exchange for Hudson Oaks' commitments contained in this Agreement herein, Willow Park agrees to reserve twenty percent (20%) of the capacity at New Wastewater Treatment Plant (150,000 gallons per day) for Hudson Oaks and agrees to treat and discharge Hudson Oaks' wastewater up to such capacity limitation at no charge. In the event that Willow Park increases the capacity of the New Wastewater Treatment Plant, Willow Park agrees to offer Hudson Oaks the opportunity to "opt in" for additional capacity for Hudson Oaks beyond the 150,000 gallons per day, by Hudson Oaks paying for an agreed upon portion of the expansion costs and additional operation and maintenance costs for such expanded capacity. In the event of an expansion in capacity, Hudson Oaks agrees that it will continue to pay for 20% of the original operation and maintenance costs of the Willow Park Wastewater Treatment Facilities, plus any additional operation and maintenance costs for such additional capacity as agreed upon between Willow Park and Hudson Oaks.

5. MASTER METER AND METER READING

5.1 Hudson Oaks' wastewater delivered for treatment by Willow Park under this Agreement shall be measured by a master meter equipped with continuous flow chart recording devices. The master meter shall be owned, operated and maintained by Hudson Oaks, at its sole cost and expense.

5.2 Hudson Oaks shall be responsible and pay for the construction and operation of the master meter and vault to be located at the lift station in Hudson Oaks on the Hudson Oaks Wastewater Transmission Line during the term hereof.

5.3 Hudson Oaks agrees to routinely test for accuracy and service and calibrate, if necessary, the master meter no less than once during each twelve (12) month period. Copies of the results of such calibration and all related information shall be provided to Willow Park. Hudson Oaks shall allow Willow Park reasonable access to the meter vault, for inspection and provide monthly readings to Willow Park.

6. OPERATION AND MAINTENANCE COSTS.

6.1 Hudson Oaks shall be responsible for all Operation and Maintenance Costs for the Hudson Oaks Wastewater Transmission Line and for the master meter.

6.2 Willow Park shall be responsible for all Operation and Maintenance Costs of the Willow Park Effluent Line and the New Wastewater Treatment Plant, subject to payment by Hudson Oaks to Willow Park of the following:

6.2.1 Hudson Oaks shall pay an annual fee to Willow Park towards the Operation and Maintenance Costs of the New Wastewater Treatment Plant and the Willow Park Effluent Line for routine maintenance, care and operation. This fee shall be 20% of the actual Operation and Maintenance Costs for those facilities incurred by Willow Park during the previous fiscal year, based upon Willow Park's certified annual audit pursuant to Chapter 103, Texas Local Government Code. The first annual fee shall be due by Hudson Oaks on October 1st after the New Wastewater Treatment Plant becomes operational, pro-rated based upon the number of months of operation. Each subsequent annual payment shall be due on October 1st of each year. Willow Park shall invoice Hudson Oaks at least thirty (30) days prior to the due date for each such annual payment and provide Willow Park's certified annual fiscal audit relating those facilities with the invoice.

6.2.2 Willow Park shall plan for annual Capital Improvements to the Willow Park Wastewater Treatment Facilities and provide such plans to Hudson Oaks.

6.3 If Hudson Oaks disputes an invoice and is unable to resolve the difference informally with Willow Park, Hudson Oaks shall notify Willow Park in writing, no later than thirty (30) days after receipt of the invoice. If the Parties are unable to resolve the disputed invoice, agreement on the invoice will be determined by a third-party mediator. Dispute of an invoice shall not be grounds for nonpayment, except for the amount of the invoice in dispute. The Parties shall share the cost of the mediator equally. In the event a payment is not paid or disputed as specified herein, a late fee of ten percent (10%) of the unpaid bill shall be imposed, together with a finance charge of ten percent (10%) per annum from the date that payment was required to be paid. In the event that a billing adjustment is agreed upon or established by mediation, the amount found to be incorrect will be credited to the Parties' account.

6.4 If Hudson Oaks fails to make a payment under this Section 6., after thirty (30) days from receipt of an invoice from Willow Park, Hudson Oaks shall be in breach of this Agreement, and Willow Park may take any action as authorized by Section 8 hereof, including disconnection of Hudson Oaks from the New Wastewater Treatment Plant, and/or applicable state law, in addition to the late fee and finance charge provided herein. If service to Hudson Oaks is disconnected, service to Hudson Oaks will not be reconnected and reinstated until all payments owed to Willow Park are current. The disconnection of Hudson Oaks from the New Wastewater Treatment Plant shall not alleviate Hudson Oaks' payment obligations for its portion of the Final Construction Costs of the Willow Park Wastewater Treatment Facilities as specified herein.

7. RIGHTS-OF-WAY.

7.1. Willow Park shall grant, without charge to Hudson Oaks, such easements and rights-of-way along public highways or other property owned by Willow Park, as requested by Hudson Oaks, in order to construct or maintain the Hudson Oaks Wastewater Transmission Line within Willow Park under this Agreement. Willow Park agrees to assist Hudson Oaks in acquiring any additional private easements or rights-of-way necessary for the construction or maintenance of the Hudson Oaks Wastewater Transmission Line, including exercising the power of eminent domain, if necessary.

7.2. The Parties agree to coordinate the location of the mains and/or facilities in the other's easements and rights-of-way in order to prevent further conflicts insofar as it is reasonably practicable.

8. TERMINATION.

8.1 This Agreement may be terminated in whole or in part by the mutual consent of the Parties. Notwithstanding anything contained herein to the contrary, any breach by either Party hereto to perform any of the duties or the obligations assumed by such Party hereunder or to faithfully keep and perform any of the terms, conditions, and provisions hereof shall be cause for termination of this Agreement by either Party, after providing thirty (30) days prior written notice and opportunity to cure, except that in an event of nonpayment the notice period shall be reduced to five (5) days. If within such notice period, the defaulting Party fails or refuses to cure such breach to the satisfaction of the non-defaulting Party, the non-defaulting Party may declare this Agreement terminated. In addition to, and/or in lieu of, the right of termination, each non-defaulting Party shall have the right of setoff for any amounts due the other Party.

8.2 In the event of termination, each Party shall pay the other for all amounts owing under this Agreement through the date of termination.

8.3 The Parties agree that the provision of wastewater is necessary to the continued health and safety of their respective communities and each Party agrees to not interrupt the transportation and treatment of wastewater except for non-payment under the terms of this Agreement.

8.4 Waiver of Sovereign or Governmental Immunity. Willow Park and Hudson Oaks hereby agree that this Agreement constitutes an agreement for providing services to each other, which is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code and any successor statute(s). In accordance with Sections 271.152 and 271.153 of the Texas Local Government Code, and only to the extent limited by the provisions of this section of the Agreement, Willow Park and Hudson Oaks hereby waive any constitutional, statutory or common law right to sovereign or governmental immunity from liability or suit for purposes of adjudicating a claim for breach of contract.

8.5 Right of Setoff. In addition to, and/or in lieu of, the right of termination as set forth above, each non-defaulting Party shall have the right of setoff for any amounts due the other Party pursuant to this Agreement.

9. LIABILITY FOR DAMAGES.

9.1 Liabilities for damages arising from the treatment, transportation, and delivery of wastewater provided hereunder shall be borne by and remain with each Party according to its proportionate share of the costs as provided herein.

9.1.1 To the extent permitted by law, each Party hereto agrees to save and hold the other Party harmless from all claims, demands, and causes of action that may be asserted by anyone on account of the quality, transportation, and delivery while wastewater is in the control of such Party. This covenant is not made for the benefit of any third party.

9.1.2 Contracts made and entered into by either Willow Park or Hudson Oaks for the construction, reconstruction, or repair of any Wastewater Treatment Facility shall include the requirement that the independent contractor(s) must provide adequate insurance protecting both Willow Park and Hudson Oaks as co-insureds. Such contract must also provide that the independent contractor(s) agrees to indemnify, hold harmless, and defend both Willow Park and Hudson Oaks against any and all suits or claims for damages of any nature arising out of the performance of such contract.

10. FORCE MAJEURE.

10.1. If by any reason of force majeure, either Party hereto shall be rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to make payments required under the terms hereof, then if such Party shall give notice and full particulars of such force majeure in writing to the other Party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the Party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

10.2. The term "force majeure," as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, other natural catastrophe, restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or other similar cause not reasonably in the control of the Party claiming such inability.

11. NOTICE.

11.1 All notices, requests, and communications under this Agreement shall be given in writing, addressed to Willow Park or Hudson Oaks at their respective addresses set forth below and either (i) hand delivered, (ii) delivered by a nationally recognized overnight courier service, or (iii) mailed by registered or certified mail, return receipt requested, postage prepaid.

To Willow Park: City of Willow Park, Texas
120 El Chico Suite A
Willow Park, Texas 76087
Attn: City Manager

To Hudson Oaks: City of Hudson Oaks
 210 Hudson Oaks Drive
 Hudson Oaks, Texas 76087
 Attn: City Administrator

Any notice under or pursuant to this Agreement and given in accordance with this Section shall be deemed received upon the earlier of: (i) actual receipt, (ii) if mailed, three (3) days after deposit in an official depository of the United States Postal Service, or (iii) if sent by a nationally recognized overnight courier service, the day following the mailing. Any Party may change its address for notice purposes by sending the other Party a notice of the new address.

12. MEDIATION.

12.1 The Parties agree to submit any dispute relating to this Agreement to non-binding mediation. The Party requesting mediation shall serve on the other Party a request in writing that such matter be submitted to mediation. The Parties shall mutually agree in writing on the selection of any mediator and the date and location of such mediation. The decision of the mediator shall not be final but shall be a condition precedent to filing suit. All costs of mediation shall be shared equally between the Parties.

13. INSPECTION AND AUDIT.

13.1 Each Party hereto shall keep complete records and accounts pertaining to this Agreement for a period of five (5) years. Each party shall at all times, upon notice, have the right at reasonable times to examine and inspect said records and accounts during normal business hours; and further, if required by any law, rule or regulation, make said records and accounts available to federal and/or state auditors.

14. MISCELLANEOUS.

14.1. This Agreement is subject to all applicable federal and state laws and any applicable permits, amendments, orders, or regulations of any state or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, order, rule, or regulation in any forum having jurisdiction.

14.2. Upon prior notice by either Party, any authorized employee or representative of such Party bearing identification shall notify the other Party of need for access to any premises located within the other Party's service area or served by the other Party as may be necessary for the purpose of inspections and observation, measurements, sampling and testing and/or auditing, in accordance with the provisions of this Agreement. The other Party may elect to accompany the requesting Party's representative. To the extent permitted by law, the requesting Party agrees to indemnify the other Party for any damage or injury to person or property caused

by the negligence of such duly authorized employee while such employee is in the course and scope of his employment.

14.3. In addition to any other remedy as may be provided by law, this Agreement shall be specifically enforceable by the parties hereto. Venue for any action shall be in Parker County, Texas.

14.4. It is agreed that, in the event any term or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of such term or provision shall in no way affect any other term or provision contained herein; further, this Agreement shall then continue as if such invalid term or provision had not been contained herein.

14.5 Neither Party may assign this Agreement without the prior written consent of the other Party.

15. INDEMNIFICATION.

15.1. To the extent permitted by law, Willow Park agrees to indemnify and save and hold Hudson Oaks harmless from all claims, liabilities, demands, and causes of action arising from any negligent act or omission of Willow Park relating to this Agreement. This covenant is not made for the benefit and shall not inure to the benefit of any third party.

15.2. To the extent permitted by law, Hudson Oaks agrees to indemnify and save and hold Willow Park harmless from all claims, liabilities, demands, and causes of action arising from any negligent act or omission of Hudson Oaks relating to this Agreement. This covenant is not made for the benefit and shall not inure to the benefit of any third party.

16. AMENDMENT.

16.1 This Agreement may only be amended, altered, or revoked by written instrument signed by the Parties.

17. WAIVER.

17.1. The failure of either Party to complain of any action, non-action, or default of the other Party shall not constitute a waiver of any of such Party's rights under this Agreement.

17.2. Waiver by either Party to this Agreement of any right for any default of the other Party shall not constitute a waiver of any right for either Party for a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation.

17.3. No right or remedy of either Party under this Agreement or covenant, duty, or obligation of either Party under this Agreement shall be deemed waived by the other Party unless such waiver is in writing and signed by the waiving Party.

18. PARTIES AND SUCCESSORS.

18.1 Subject to the limitations and conditions set forth elsewhere herein, this Agreement shall bind and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the Parties hereto.

19. CAPTIONS.

19.1. The captions in this Agreement are inserted only as a matter of convenience and for reference, and they in no way define, limit, or describe the scope of this Agreement or the intent of any provision hereof.

20. NUMBER AND GENDER.

20.1 All genders used in this Agreement shall include the other genders, the singular shall include the plural, and the plural shall include the singular, whenever and as often as may be appropriate.

21. ENTIRE AGREEMENT.

21.1 This Agreement, including all exhibits which may be attached hereto (which exhibits are hereby incorporated herein by reference) contains the entire agreement between the Parties with respect to the subject matter hereof. Further, the terms and provisions of this Agreement shall not be construed against or in favor of a Party hereto merely because such Party or its counsel is the drafter of this Agreement.

22. NO WAIVER OF IMMUNITY OR DEFENSES.

22.1. This Agreement is made pursuant to Chapter 791 of the Texas Government Code. It is expressly understood and agreed that in the execution of this Agreement, neither Party waives nor shall be deemed hereby to waive any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions, or any damage limitation or other protection provided to municipalities under any applicable law, except as provided herein. This section shall be liberally construed to carry out the intent of the city councils of Hudson Oaks and Willow Park and the Parties do hereby invoke said governmental immunity to the extent possible under the law.

23. NO THIRD PARTY BENEFICIARIES.

23.1 It is understood by the Parties that this Agreement is entered into for the mutual convenience and purposes of the Parties, and it is the Parties' intent that no other parties shall be construed as beneficiaries of this Agreement, including the owners, residents, or operators of property located in either city, regardless of whether such persons are anticipated to be customers under this Agreement.

24. AUTHORITY.

24.1 This Agreement was authorized by the Hudson Oaks City Council at its regular meeting on the _____ day of _____, 2024, and by the Willow Park City Council at its regular meeting on the _____ day of _____, 2024.

25. MUTUAL ASSISTANCE.

25.1 The Parties hereto agree to take all reasonable measures which are necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

26. ATTORNEY'S FEES.

26.1 In the event either Party defaults in the performance of any of the terms, agreements, or conditions contained in this Agreement and the enforcement of this Agreement, or any part thereof, is placed in the hands of any attorney who files suit upon the same, the non-prevailing Party shall pay the reasonable attorneys' fees, expenses, and costs of the prevailing Party.

27. REPRESENTATIONS.

27.1. By execution of this Agreement, each Party represents to the other that:

27.1.1 In performing its duties and obligations hereunder, it will be carrying out one or more governmental functions or services which it is authorized to perform;

27.1.2 The undersigned officer or agent of the Party has been properly authorized by that Party's governing body to execute this Agreement and that any necessary resolutions extending such authority have been duly passed and are now in effect;

27.1.3 All payments required or permitted to be made by a Party will be made from current revenues available to the paying Party; and

27.1.4 All payments provided to be made hereunder by one Party to the other shall be such amounts as to fairly compensate the other Party for the services or functions performed hereunder.

27.2 The Parties hereto agree that services obtained pursuant to this Agreement are essential and necessary to the operation of each Parties' wastewater system, and that all payments made by the Parties hereunder shall constitute reasonable and necessary operating expenses of that Party's wastewater system within the meaning of Chapter 1502, Texas Government Code, and the provisions of any and all ordinances of either Party authorizing the issuance of any revenue bonds which are payable from its wastewater system.

EXECUTED to be effective as of the Effective Date.

CITY OF WILLOW PARK, TEXAS

CITY OF HUDSON OAKS, TEXAS

Mayor

Date: _____

ATTEST:

City Secretary

Mayor

Date: _____

ATTEST:

City Secretary

EXHIBITS