



**Regular Meeting of the Board of Directors
Special Called Meeting of the Board of
Directors**

City of Texarkana, Arkansas
216 Walnut Street

Agenda - Tuesday, October 13, 2026 - 6:00 PM

Call to Order

Roll Call

Invocation and Pledge of Allegiance Given by Mayor Brown

REGULAR

1. Adopt an Ordinance authorizing the execution and delivery of an exclusivity agreement with Heartland Water Partners, LLC, the Southwest Arkansas Water District, and such other participants; authorizing an application to Arkansas Natural Resources commission; and declaring an emergency. (ADMIN) City Manager Tyler Richards

NEXT MEETING DATE: Monday, October 19, 2026

ADJOURN



CITY OF TEXARKANA, AR BOARD OF DIRECTORS

AGENDA TITLE: Adopt an Ordinance authorizing the execution and delivery of an exclusivity agreement with Heartland Water Partners, LLC, the Southwest Arkansas Water District, and such other participants; authorizing an application to Arkansas Natural Resources commission; and declaring an emergency. (ADMIN) City Manager Tyler Richards

AGENDA DATE: 10/13/2026

ITEM TYPE: Ordinance ☒ Resolution ☐ Other ☐: _____

DEPARTMENT: Administration

PREPARED BY: City Manager Tyler Richards

REQUEST: Adopt an Ordinance authorizing the City to enter an agreement with Southwest Arkansas Water District, Heartland Water Partners, LLC, and other participating cities to make an application to Arkansas Natural Resources Commission for an out-of-state water transfer.

EMERGENCY CLAUSE: Yes

SUMMARY: The Ordinance allows the Southwest Arkansas Water District to act on behalf of the City of Texarkana, Arkansas to explore selling up to 110 million gallons per day of the City's Millwood Lake water rights. That is 99.8 MGD from Storage Space No. 16 plus up to 10.2 MGD of existing supply.

The City requests to sign an Exclusivity Agreement with Heartland Water Partners, LLC, to temporarily reserve that water capacity, collect reservation payments, apply to the state Natural Resources Division for transfer approval, and negotiate (but not sign) a definitive agreement.

The City commits to no sale. Any sale requires further Board approval and General Assembly authorization.

EXPENSE REQUIRED: \$0

AMOUNT BUDGETED: \$0

**APPROPRIATION
REQUIRED:** \$0

**RECOMMENDED
ACTION:** City Manager and Staff Recommend Approval

EXHIBITS: Ordinance and Exclusivity Agreement

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF AN EXCLUSIVITY AGREEMENT WITH HEARTLAND WATER PARTNERS, LLC, THE SOUTHWEST ARKANSAS WATER DISTRICT, AND SUCH OTHER PARTICIPANTS; AUTHORIZING AN APPLICATION TO ARKANSAS NATURAL RESOURCES COMMISSION; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Texarkana, Arkansas (the “City”) is a city of the first class duly organized and existing under the laws of the State of Arkansas;

WHEREAS, the City holds water storage rights in Millwood Lake pursuant to certain Water Supply Contracts with the Southwest Arkansas Water District (“SWAWD”) dated effective June 7, 2016;

WHEREAS, the City has determined that 110 million gallons per day of its water storage rights exceed its projected needs (the “Excess Capacity”);

WHEREAS, Heartland Water Partners, LLC, a Texas limited liability company (“Heartland”), proposes that the City realize the value of the Excess Capacity by reserving it for Heartland in exchange for reservation payments from Heartland to the City (the “Plan”);

WHEREAS, to evaluate the feasibility of the Plan, the City desires to enter into an Exclusivity Agreement with Heartland, SWAWD, and the other participating water users, substantially in the form attached as Exhibit A (the “Agreement”);

WHEREAS, because the Plan contemplates the interstate transfer of the Excess Capacity, which must be approved by the Arkansas Natural Resources Commission (“ANRC”) pursuant to Ark. Code Ann. § 15-22-303 et seq. and 15 CAR § 20-601 et seq., SWAWD has agreed to file an application with the ANRC on behalf of the City (the “Application”); and

WHEREAS, the Board of Directors has determined that the foregoing is in the best interest of the City;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Texarkana, Arkansas that:

Section 1. Authorization of Agreement. The City is hereby authorized to enter into the Agreement in substantially the form attached hereto as Exhibit A. The City Manager and Mayor are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, with such changes, modifications, or amendments thereto as they deem necessary or appropriate.

Section 2. ANRC Application. SWAWD is hereby authorized to file the Application on behalf of the City.

Section 3. Further Authorization. The Mayor, the City Manager, and other officers of the City are hereby authorized to execute and deliver all documents and take all actions necessary or appropriate to carry out this Ordinance, the Agreement, and the Application.

Section 4. Conflicts. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. Emergency Clause. The Excess Capacity is currently being released to downstream riparian parties, including those in the State of Louisiana, at no charge, and the immediate execution of the Agreement is necessary to prevent further loss of value of this City asset. Therefore, an emergency is declared to exist, and this Ordinance, being necessary for the preservation of the public peace, health, safety, and welfare, shall be in full force and effect from and after its passage and approval.

ADOPTED: October ___, 2026.

APPROVED:

Allen Brown, Mayor

ATTEST:

Tabitha Churchill, Deputy City Clerk

(S E A L)

APPROVED:

Joshua Potter, City Attorney

EXHIBIT A

Form of Exclusivity Agreement

See attached.

EXCLUSIVITY AND WATER SUPPLY COMMITMENT AGREEMENT

This Exclusivity and Water Supply Commitment Agreement (this “*Agreement*”) is entered into as of _____, 2026 (the “*Effective Date*”), by and among **Heartland Water Partners, LLC**, a _____ limited liability company (“*Heartland*”); the **Southwest Arkansas Water District**, an Arkansas non-profit corporation (the “*District*”); the **City of Texarkana, Arkansas**, a city of the first class (“*Texarkana*”); the **City of Hope, Arkansas** (“*Hope*”); the **City of Ashdown, Arkansas** (“*Ashdown*”); and the **Town of Ogden, Arkansas** (“*Ogden*,” together with Texarkana, Hope, and Ashdown, and subject to the terms of Section 2 below, each a “*City*” and collectively, the “*Cities*”). Heartland, the District, and the Cities are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

RECITALS

WHEREAS, the District has, by Contract No. DA-34-066 CIVENG-61-1017, as amended, with the United States Army Corps of Engineers (the “*Corps Contract*”), acquired an allocation of water supply storage space in Millwood Lake, located in Little River and Hempstead Counties, Arkansas, and title to such storage space remains vested in the District; and

WHEREAS, pursuant to that certain (i) Water Supply Contract dated effective June 7, 2016 by and between the District and Texarkana; (ii) Water Supply Contract dated effective June 9, 2016 by and between the District and Hope; (iii) Water Supply Contract dated effective May 23, 2016 by and between the District and Ashdown; and (iv) Water Supply Contract dated effective May 10, 2016 by and between the District and Ogden (collectively, together with any prior water supply contracts between the District and a City, the “*City Water Supply Contracts*”), respectively, the Cities acquired from the District contractual rights to water supply held in the District’s storage space in Millwood Lake under the Corps Contract; and

WHEREAS, Heartland proposes to coordinate and facilitate the diversion of water from Millwood Lake at or adjacent to the District’s existing Millwood Lake intake facility in Little River County, Arkansas, and the transportation of such water through a pipeline to Texas (the “*Project*”); and

WHEREAS, each City desires to commit to the Project designated volumes of water that are in excess of its current projected needs, and the District desires to consolidate such volumes and make them available to Heartland as part of the Project; and

WHEREAS, any transfer of water out of the State of Arkansas is subject to Ark. Code Ann. § 15-22-303, under which the Arkansas Natural Resources Commission (“*ANRC*”) is to recommend to the General Assembly of Arkansas whether the transfer would be in the public interest of the citizens of the State, and to authorization by the General Assembly of Arkansas; and

WHEREAS, the District, acting as agent of the Cities for limited purposes as described herein, desires to apply to ANRC for approval of an out-of-state transfer of the Project Capacity, as defined below; and

WHEREAS, the Parties desire to provide Heartland with an exclusive period during which the ANRC Application (as defined below) and General Assembly approval may be pursued and, if

approved, the Parties may negotiate in good faith one or more definitive agreements for the Project (the “Definitive Agreement”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Committed Volumes.** Each City shall designate in writing to the District and Heartland, no later than November 1, 2026, the volume of water that such City commits to the Project (its “*Committed Volumes*”). The classification of Committed Volumes (including as firm or interruptible), and the terms, conditions, notice, priority, and duration of any curtailment, interruption, or recapture of Committed Volumes by a City to meet its water supply needs, shall be set forth in the Definitive Agreement. The District shall consolidate the Committed Volumes of all Cities, in an aggregate amount of up to One Hundred Fifteen Million (115,000,000) gallons per day of water supply capacity (the “*Project Capacity*”), for purposes of the ANRC Application and the Project, with any right of Heartland to take water to be granted solely under the Definitive Agreement. To the extent any City Water Supply Contract requires the District’s written consent to any assignment of a City’s rights thereunder or any sale of untreated water by a City, the District, by its execution of this Agreement, consents to each City’s commitment of its Committed Volumes to the Project and participation in the transactions contemplated hereby and agrees that such commitment and participation shall not constitute a breach of any City Water Supply Contract.

2. **Participating Cities; Withdrawal.** Fewer than all of Texarkana, Hope, Ashdown, and Ogden may participate in the Project. Any City may, in its sole discretion, withdraw from this Agreement and the Project at any time before it executes the Definitive Agreement by written notice to Heartland and the District, and shall be deemed to have withdrawn if its governing body declines to approve its execution of the Definitive Agreement. Upon withdrawal: (a) the withdrawing City shall cease to be a Party and a City and shall be released from all obligations hereunder (including any obligation to negotiate or execute the Definitive Agreement), except those surviving under Section 17, and its water supply contract with the District shall not be affected; (b) its Committed Volumes shall be released, and the Project Capacity reduced to the extent not replaced as provided below; (c) within thirty (30) days after the replacement period below expires, it shall refund to Heartland its most recent Exclusivity Payment, if any, to the extent attributable to unreplaced Committed Volumes, which refund shall be Heartland’s sole and exclusive remedy, and it shall retain all other Exclusivity Payments; (d) at its request, the District shall promptly amend the ANRC Application to reflect the withdrawal; and (e) this Agreement shall continue among the remaining Parties. Within sixty (60) days after a withdrawal, any remaining City may, at its option, commit additional volumes available to it under its City Water Supply Contract and in excess of its projected needs to replace all or part of the withdrawing City’s Committed Volumes, by written notice to the District and Heartland; such volumes shall become part of that City’s Committed Volumes and the Project Capacity (including for Exclusivity Payments thereafter coming due), and the District consents to such commitment as provided in Section 1. No City shall be obligated to replace any volumes. The obligations of the Cities are several and not joint, and no City shall be liable for the acts, omissions, withdrawal, Committed Volumes, representations, or obligations of any other City or the District.

3. **Exclusivity.**

- a. Exclusivity Requirement. Subject to the terms and conditions of this Agreement, the District and the Cities hereby agree to work exclusively with each other and with Heartland on the Project during the Exclusivity Period. During the Exclusivity Period, the District and the Cities shall not, and shall cause their respective officers, employees, agents, and representatives not to, directly or indirectly: (i) allocate, commit, or otherwise make available the Project Capacity to any person or entity other than Heartland; (ii) solicit, initiate, encourage, or facilitate any inquiry, proposal, or offer from any third party relating to the transport, supply, reservation, sale, or commitment of water from the Project Capacity; (iii) participate in any discussions or negotiations with any third party regarding any such inquiry, proposal, or offer; or (iv) enter into any agreement, commitment, letter of intent, term sheet, or understanding (whether or not legally binding) with any third party relating to any of the foregoing. Nothing in this Agreement reserves, conveys, or grants to Heartland any water or right to water, and nothing in this Agreement shall restrict the use, sale, or commitment by the District or any City of any water supply or storage rights other than the Project Capacity. If the District or any City receives any such third-party inquiry or proposal during the Exclusivity Period, it shall promptly (and in no event later than three (3) business days after receipt) notify Heartland in writing of the identity of the third party and the material terms of such inquiry or proposal, to the extent permitted by applicable law. Any Party shall be entitled, in addition to any other remedy available at law or in equity, to seek injunctive relief and specific performance to enforce this Section 3.
- b. Exclusivity Period. The exclusivity period under this Agreement (the “*Exclusivity Period*”) begins on the Effective Date and continues until the date ANRC issues its recommendation to the General Assembly of Arkansas on whether the transfer contemplated by the ANRC Application would be in the public interest of the citizens of the State, unless extended as provided in this Section. If ANRC recommends that the transfer would be in the public interest, in whole or in part, the Exclusivity Period is automatically extended until the date the General Assembly of Arkansas acts on the ANRC Application. If the General Assembly of Arkansas authorizes the Project substantially consistent with the ANRC Application, the Exclusivity Period is automatically extended for an additional one hundred eighty (180) days after the date of such authorization, and may be extended for any additional period upon agreement of the Parties should such additional time be required or necessary to facilitate execution and delivery of a Definitive Agreement. Notwithstanding the foregoing, the Exclusivity Period shall in no event extend beyond _____, 20____, unless extended by written agreement of the Parties. The Exclusivity Period, and each extension of it, is conditioned on Heartland’s payment of each Exclusivity Payment when due under Section 6, and if Heartland fails to pay any Exclusivity Payment to a City when due and does not cure such failure within the cure period set forth in Section 7(c), the Exclusivity Period and such City’s obligations under this Section 3 shall automatically terminate as to such City. Throughout the Exclusivity Period, beginning on the Effective Date, the Parties shall negotiate in good faith toward, and use commercially reasonable efforts to execute, the Definitive Agreement, so that the Definitive Agreement may be executed as promptly as

practicable following General Assembly authorization of the Project. Nothing in this Agreement obligates any Party to execute a Definitive Agreement, and no City shall be bound by a Definitive Agreement until it has been approved by such City's governing body. A City's withdrawal under Section 2, or its governing body's failure or refusal to approve a Definitive Agreement, shall not constitute a breach of this Section 3 or any other provision of this Agreement.

4. **ANRC Application.** The District, acting as agent of the Cities for this purpose, shall prepare, file, and prosecute an application with ANRC for approval of an out-of-state transfer of the Project Capacity (the "*ANRC Application*"), including attending and participating in any notice, hearing, or other proceeding on the ANRC Application. Heartland shall reimburse the District, within thirty (30) days after receipt of an invoice, for all reasonable and documented out-of-pocket costs and expenses (including filing fees and reasonable fees of attorneys, engineers, and other consultants) incurred by the District in connection with the ANRC Application. Each Party shall cooperate in good faith with the other Parties in connection with (a) the preparation and submission of the ANRC Application and all other regulatory filings, applications, and reports required for the Project, (b) obtaining all necessary governmental approvals, permits, and authorizations, and (c) responding to inquiries from governmental authorities.

5. **Reservation Term.**

- a. Reservation Term. Nothing in this Agreement reserves, conveys, or grants to Heartland any water, water supply capacity, or right to water, including the Committed Volumes or the Project Capacity. Any reservation of water for, or right of Heartland to take, any Committed Volumes, including the term and any renewal of such reservation and the payments required to maintain it, shall be addressed solely in the Definitive Agreement.
- b. City Water Supply Protections. The Definitive Agreement shall include provisions permitting each City to curtail, interrupt, or recapture for its own use all or any portion of its Committed Volumes to the extent required to meet such City's water supply needs, on terms to be negotiated in the Definitive Agreement. Nothing in this Agreement shall be construed as a waiver or limitation of any such right.

6. **Payments.** In consideration of each City's agreement to work exclusively with the District and Heartland on the Project during the Exclusivity Period pursuant to Section 3, Heartland shall pay directly to each City an amount calculated at \$5,000 per MGD of such City's Committed Volumes designated pursuant to Section 1 of this Agreement (the "*Exclusivity Payment*") on each of the following occasions: (i) within ten (10) business days following the filing by the District of the ANRC Application with ANRC for consideration at the November 18, 2026 ANRC meeting (or such other regular ANRC meeting as agreed to in writing by the Parties); (ii) within ten (10) business days following approval of the Project by the General Assembly of Arkansas substantially consistent with the ANRC Application; and (iii) concurrently with, and as a condition to the effectiveness of, the execution of the Definitive Agreement. If the General Assembly of Arkansas does not approve the Project or the Parties do not execute a Definitive Agreement, the Exclusivity Payments under clauses (ii) and (iii), as applicable, will not be owed. Except as otherwise provided in Section 2, each

Exclusivity Payment, once paid, is fully earned and non-refundable, regardless of any subsequent expiration or termination of this Agreement. The Exclusivity Payments are consideration solely for each City's exclusivity commitment under Section 3, and are not consideration for, and do not reserve, convey, or grant, any water or right to water. The Parties acknowledge that any reservation of water under the Definitive Agreement shall require an annual recurring reservation payment for all water committed to but not taken by Heartland in each year, which payment shall not be a credit against future taking of such water, as more fully described in the Definitive Agreement.

7. Termination.

a. Automatic Termination. This Agreement shall automatically terminate upon the earliest of (i) the expiration of the Exclusivity Period, (ii) written notification of Heartland's determination not to proceed with the Project, or (iii) the withdrawal of all Cities pursuant to Section 2.

b. Termination for Failure to Submit ANRC Application. If the ANRC Application has not been submitted to ANRC on or before January 31, 2027, any Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Parties.

c. Termination for Breach. In the event of a material breach of this Agreement, the breaching Party shall have: (i) five (5) business days to cure any breach of a monetary obligation (including the failure to make any payment when due), or (ii) thirty (30) days to cure any other material breach, in each case upon the receipt of written notice from the non-breaching Party specifying the nature of the breach. In the event the breaching Party fails to cure the material breach within the applicable cure period, the non-breaching Party may terminate this Agreement upon written notice.

8. **Assignment.** This Agreement will be binding on, enforceable against and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, and nothing herein is intended to confer any right, remedy or benefit on any other person except to the extent expressly provided herein. No Party may assign rights or delegate obligations under this Agreement without the prior written consent of the other Parties, except that Heartland may assign to an affiliate or successor-in-interest with regard to the Project, and the other Parties consent to such assignment, provided that the assignee assumes in writing all of Heartland's obligations hereunder, Heartland provides prior written notice of such assignment to the other Parties, and Heartland remains jointly and severally liable with such assignee for the payment of all Exclusivity Payments.

9. **Notices.** All notices, demands, requests, or other communications required or permitted under this Agreement shall be in writing and shall be deemed given: (a) upon delivery if delivered personally; (b) one (1) business day after dispatch by nationally recognized overnight courier; (c) upon transmission by electronic mail; or (d) three (3) business days after deposit with the United States Postal Service, by certified mail, return receipt requested, postage prepaid, in each case addressed to the applicable Party at the following addresses, which may be modified by delivery of written notice to the other Parties:

Heartland Water Partners, LLC
5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: General Counsel
Tel: 214-797-5595
E-mail: legal@grey-rock.com

Southwest Arkansas Water District
3592 Hwy 278 W
Hope, AR 71801
Attn: Danny Gray
E-mail: 50drgray@protonmail.com

City of Texarkana, Arkansas

City of Hope, Arkansas

City of Ashdown, Arkansas

Town of Ogden, Arkansas

10. **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties with respect to its subject matter and merges and supersedes all prior and contemporaneous understandings of the Parties with respect to its subject matter.

11. **Waiver; Severability.** Failure of any Party to enforce any provision of this Agreement will not be construed as a waiver of its rights under such or any other provision. No waiver of any provision of this Agreement in any instance shall be deemed to be a waiver of the same or any other provision in any other instance. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and such provision shall be reformed, construed, and enforced to the maximum extent permissible under applicable law.

12. **Governing Law.** This Agreement is made pursuant to and shall be governed by the laws of the State of Arkansas, without regard to conflict of law principles, and each Party hereby consents to the exclusive jurisdiction of the state and federal courts located in Arkansas.

13. **Amendment.** This Agreement may be amended, and the observance of any provision may be waived or modified (either generally or in a particular instance and either retroactively or prospectively), only with the prior written consent of the Parties. No amendment or modification affecting a City's allocated portion of the Project Capacity, such City's water supply protections, or any other rights of such City under this Agreement shall be effective without such City's prior written consent.

14. **Representations and Warranties.**

- a. Mutual Representations. Each Party hereby represents and warrants to the other Parties that:
 - i. it has full power and authority to execute, deliver, and perform this Agreement;
 - ii. this Agreement constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms; and
 - iii. subject to obtaining the regulatory approvals and authorizations contemplated by this Agreement, and to such Party's knowledge, the execution, delivery, and performance of this Agreement does not and will not conflict with, violate, or result in a breach of any applicable laws, or agreements, instruments, orders, or other decrees to which such Party is a party or by which it is bound.
- (ii) District Representations. The District further represents and warrants to Heartland that:
 - A. the District is a party to the Corps Contract and, subject to applicable regulatory approvals and authorizations, has the right to allocate water storage capacity under the Corps Contract to the Cities pursuant to the City Water Supply Contracts;
 - B. subject to applicable regulatory approvals and authorizations and the Cities' water supply protections set forth herein, the District has the full right, power, and authority to consolidate the Committed Volumes as the

Project Capacity for purposes of the ANRC Application and the Project pursuant to this Agreement; and

- C. the City Water Supply Contracts are in full force and effect and have not been amended or modified in any manner that would adversely affect the rights of the Cities or Heartland under this Agreement.

(iii) City Representations. Each City further represents and warrants to Heartland, as to itself only, that:

- A. its City Water Supply Contract is in full force and effect, it is not in default thereunder, and it holds the rights allocated to it under such contract; and
- B. it has not granted any option, reservation, right of first refusal, or other right in its Committed Volumes to any third party, or entered into any agreement or understanding with any third party relating to the sale, reservation, or transfer of its Committed Volumes.

(iv) Heartland Representations. Heartland further represents and warrants to the District and the Cities that:

- A. Heartland has the financial capacity to perform its obligations under this Agreement, including the payment of the Exclusivity Payments;
- B. there is no pending or, to Heartland's knowledge, threatened litigation, arbitration, or administrative proceeding that would materially impair Heartland's ability to perform its obligations under this Agreement; and
- C. all information provided by Heartland to the District and the Cities in connection with this Agreement is true, accurate, and complete in all material respects.

15. **Confidentiality.** Each Party agrees that the terms and conditions of this Agreement shall be kept strictly confidential and shall not be disclosed to any third party without the prior written consent of the other Parties; provided, however, that (a) the District or the Cities may disclose such terms and conditions to the extent required by applicable law, including the Arkansas Freedom of Information Act and applicable open meetings requirements, or as reasonably necessary to obtain approval of this Agreement or the Definitive Agreement by its governing body or any governmental authority; (b) any Party may disclose such terms and conditions to its legal counsel, accountants, financial advisors, and lenders, in each case who are bound by confidentiality obligations; and (c) Heartland may disclose such terms and conditions to potential investors or assignees with the prior written consent of the District and the Cities, which consent shall not be unreasonably withheld.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same

instrument. Signatures delivered by facsimile, electronic mail (including .pdf or any electronic signature), or other transmission method shall be deemed original signatures for all purposes.

17. **Survival.** The following provisions shall survive termination or expiration of this Agreement: Section 5 (if the Definitive Agreement has been executed, until superseded thereby), Section 9 (Notices), Section 12 (Governing Law), Section 14 (Representations and Warranties), Section 15 (Confidentiality), Section 21 (Limitation of Liability), Section 22 (Municipal Protections), and this Section 17.

18. **Relationship of Parties.** Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between or among the Parties, except that the District acts as agent of the Cities solely with respect to the ANRC Application. No Party shall have the authority to bind or obligate any other Party in any manner whatsoever, except as expressly provided in this Agreement.

19. **Further Action.** Each Party shall execute and deliver such additional documents and take such further actions as may be reasonably necessary to carry out the provisions of this Agreement.

20. **Compliance with Laws.** Each Party shall comply with all applicable federal, state, and local laws, regulations, ordinances, and orders in the performance of its obligations under this Agreement. Heartland shall obtain and maintain all permits, licenses, and approvals required for the development, construction, and operation of the Project.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

HEARTLAND WATER PARTNERS, LLC

By: _____

Name: _____

Title: _____

SOUTHWEST ARKANSAS WATER DISTRICT

By: _____

Name: _____

Title: _____

CITY OF TEXARKANA, ARKANSAS

By: _____

Name: _____

Title: _____

CITY OF ASHDOWN, ARKANSAS

By: _____

Name: _____

Title: _____

CITY OF HOPE, ARKANSAS

By: _____

Name: _____

Title: _____

TOWN OF OGDEN, ARKANSAS

By: _____

Name: _____

Title: _____