

OUTSOURCING AGREEMENT

This OUTSOURCING AGREEMENT (“**Agreement**”) is entered into and made effective as of October 1, 2025 (“**Effective Date**”), by and between the City of Killeen, Texas (“**City**”), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America (“**SLWA**,” and together with City, the “**Parties**,” and each, a “**Party**”).

WHEREAS, individual residential property owners residing in the City (“**Resident(s)**”) own and are responsible for sewer service lines between the mainlines and the connection on their property;

WHEREAS, a portion of such sewer service lines are often within the public right of way (“**ROW**”);

WHEREAS, the City wishes to provide for repairs or replacements as necessary for sewer service lines within the ROW; and

WHEREAS, SLWA has extensive experience in managing independent contractors in the State of Texas for the repair or replacement of sewer service lines within the ROW; and

WHEREAS, the City wishes to outsource the management of residential sewer service line repairs or replacements within the ROW.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** The City hereby grants to SLWA the right to manage the repair or replacement of all Resident’s sewer service line laterals within the ROWs located within the City’s geographic boundaries that become inoperable as a result of ordinary wear and tear so as to maintain adequate flow within all such laterals, subject to the terms and conditions of this Agreement.

2. **Responsibilities of the Parties.**

A. **SLWA’s Responsibilities.** SLWA shall be responsible for the following:

- i. Receiving the initial contact from a Resident if a Resident opts to initially contact SLWA.
- ii. Contacting the City’s Water and Sewer Services Department to request the location of the leak and/or blockage.
- iii. If the City advises the leak and/or blockage is located within the ROW, dispatching a network contractor to perform the necessary repairs or replacement at SLWA’s sole cost and expense.
- iv. If the City advises the leak and/or blockage is located on the Resident’s property outside of the ROW, contacting the Resident and advising as follows:
 - a. If the Resident is a customer of SLWA, processing such claim in accordance with SLWA’s normal operating procedures; or
 - b. If the Resident is not a customer of SLWA, providing the Resident with the choice of: (a) having SLWA’s network contractor perform the repairs or replacement; or (b) informing the Resident they may hire their own contractor to perform the repairs or replacement, each option at the Resident’s sole cost and expense. Should the Resident choose option (a), SLWA shall track the claim using its standard operating procedure. Should the Resident choose option (b), SLWA shall have no obligation or responsibility to track anything related to such Resident’s claim.
- v. Cooperating with the City to establish repair and replacement standards for work to be performed in the ROW.

B. **City’s Responsibilities.** City shall be responsible for the following:

- i. Receiving the initial contact from a Resident if a Resident opts to initially contact the City, and communicating such contact to SLWA if needed.
- ii. Providing SLWA with a list of Resident service addresses within the City's geographic boundaries and update such list as required by this Agreement.
- iii. When requested by SLWA, determining the location of leaks and/or blockages in a Resident's sewer service line and advise SLWA accordingly, including whether such leak and/or blockage is in the ROW.
- iv. If the leak and/or blockage is in the Resident's main sewer service line, communicating to the Resident that the City will be responsible for making the necessary repairs or replacement at the City's sole cost and expense, and making such repairs or replacement.
- v. If the leak and/or blockage is located on the Resident's property outside of the ROW, confirming such information with SLWA.
- vi. Cooperating with SLWA to establish repair and replacement standards for work to be performed in the ROW.
- vii. Consulting with SLWA on repairs or replacement within the ROW to confirm adherence to the repair and replacement standards established by the Parties and which are set forth on Exhibit A, attached hereto and incorporated herein by reference.

C. Notwithstanding anything herein to the contrary, SLWA may, in its sole discretion, manage its network of local and licensed plumbing contractors to provide the services contemplated herein, including, but not limited to, the assignment and dispatching of any network contractor it deems acceptable to provide services for a Resident. For the avoidance of doubt, the City shall not request any particular contractor over another and SLWA shall determine which contractor shall perform each job hereunder. Further, SLWA shall be permitted at all times to expand and enhance its network to ensure the performance of its obligations under this Agreement. All contractors utilized by SLWA hereunder shall be registered with the City's Building Inspection Division and are in adherence with SLWA's network contractor guidelines.

D. Mutual Grant of License. Each Party grants to the other Party a non-exclusive license ("**License**") to use the designated names, symbols, trademarks, service marks, logotypes, trade names and insignias ("**Marks**") owned by the other Party or its affiliates, solely in connection with such Party's performance of its obligations under this Agreement, all at the sole cost of the Party granted the License and subject to the other Party's prior review and approval, which will not be unreasonably conditioned, delayed, denied, or withheld. Each Party's use of the other Party's Marks in accordance with this Agreement will not infringe any other party's rights. In the event that the City extends a similar license to a competitor of SLWA during the Term, the City shall provide thirty (30) days' written notice prior to such grant of license and SLWA may immediately terminate this Agreement.

3. Data. The City shall provide SLWA with "zip code" data for Residents in an agreed-upon format. The City shall also provide a list of the service address of Residents ("**Resident Data**") to SLWA. Resident Data will be provided to SLWA quarterly or more frequently during the Term as agreed to by the Parties and in a mutually agreed upon electronic format. SLWA will only use Resident Data as permitted by this Agreement. Each Resident's name, address, phone number, email address and any other information that SLWA collects from a Resident in its own interactions with any Resident, is SLWA's property and Confidential Information.

4. Term; Termination. The initial term of this Agreement ("**Initial Term**") shall be for five (5) years from the Effective Date. This Agreement will then renew for additional one (1) year periods (each, a "**Renewal Term**" and together with the Initial Term, the "**Term**") unless one of the Parties gives the other advance written notice of at least ninety (90) days that it does not intend to renew this Agreement. Either Party may terminate this Agreement thirty (30) days after giving notice to the other Party that the Party is in material breach of this Agreement if said breach is not cured during said thirty (30) day period. Following such termination, neither Party will have any further obligations to the other and this Agreement will terminate. Additionally, SLWA may terminate this Agreement at any time, with or without cause, upon thirty (30) days' prior written notice to the City. In the event such a notice of termination is provided by SLWA, SLWA shall perform any outstanding work in connection with then existing claims and claims received by the City pursuant to this Agreement within

the thirty (30) day notice provided by SLWA to City. Upon completion of such work, SLWA shall have no further obligations to City.

5. **Consideration.** As compensation for the responsibilities undertaken in this Agreement, the City will pay to SLWA one dollar and thirty-three cents (\$1.33) per month for every residential sewer connection within the City's geographical boundaries, inclusive of any such connection existing as of the Effective Date. All compensation payments shall be made to SLWA by the tenth day of each month. Thereafter, SLWA may, in its sole discretion, adjust the compensation on an annual basis starting on the first anniversary of the Effective Date; provided, that any such adjustment shall not exceed four percent (4%) of the then current compensation and that SLWA shall endeavor to provide advance notice of such increase to the City no later than April 1 of each calendar year.

6. **Applicable Laws.** Each Party shall comply at all times with all applicable laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, judgements, orders and interpretations, as well as licensing or registration requirements ("**Applicable Laws**") with respect to its obligations under this Agreement. For any Resident Data provided by the City to SLWA, the City warrants, represents, and covenants that Resident Data has been and will be collected in compliance with all Applicable Laws, the City is permitted by Applicable Laws and privacy policies to provide Resident Data to SLWA and to permit SLWA to use such data as contemplated by this Agreement.

7. **Confidentiality.** "**Confidential Information**" of a Party means any non-public, proprietary, or confidential information, whether or not it constitutes a trade secret under Applicable Laws, and any other information that a reasonable person would expect to be confidential. Each Party will treat Confidential Information received from the other Party as confidential, and such Party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, a Party shall not be liable to the other Party for any disclosure of Confidential Information that is required under any Applicable Laws, applicable public records act or under court order. To the extent legally permissible, a Party shall provide written notice to the other Party prior to any such disclosure.

8. **Ruling and/or Code Change; Coverage Changes.** In the event that: (i) a change or proposed change in Applicable Laws, or municipal or similar codes; or (ii) an interpretation, policy, ruling, or order by any court, tribunal, arbitrator, regulatory agency, commission, including a public service commission or similar body of a City, or other instrumentality of the United States, or any state, county, City, or other political subdivision; negatively or potentially negatively impacts the terms of this Agreement or the obligations of the Parties set forth in this Agreement, the Parties shall negotiate in good faith to modify the terms of this Agreement accordingly. Should the Parties be unable to reach a mutual agreement to revise this Agreement, then either Party may terminate this Agreement on thirty (30) days' written notice to the other Party. In the event such a notice of termination is provided by SLWA, SLWA shall perform any outstanding work in connection with then existing claims and claims received by the City pursuant to this Agreement within the thirty (30) day notice provided by SLWA to City. Upon completion of such work, SLWA shall have no further obligations to City.

9. **Indemnification.** To the greatest extent allowed by Applicable Laws, each Party (the "**Indemnifying Party**") hereby agrees to indemnify, defend and hold the other Party and its directors, managers, members, officers, employees, contractors, subcontractors, and agents, and in the case of City, also its elected officials ("**Representatives**") (collectively or individually, "**Indemnitee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs ("**Claim(s)**"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of the Indemnifying Party's or its Representatives' (a) breach of any of its obligations and representations hereunder, (b) negligent or fraudulent act, intentional misconduct, or omission in the performance of this Agreement, or (c) failure to comply with Applicable Laws; provided that the applicable Indemnitee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party to defend against such Claim. Any Indemnitee under this Agreement may participate in its own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation.

10. **Limitation of Liability.** HOMESERVE'S LIABILITY FOR ANY MATTER UNDER THIS AGREEMENT IS LIMITED TO THE AMOUNTS PAID TO HOMESERVE HEREUNDER FOR THE PREVIOUS TWELVE (12) MONTH PERIOD FROM THE DATE THE MATTER AROSE, INCLUDING FOR THIRD-PARTY CLAIMS AND ACTIONS THAT ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 9. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 10, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY

OR ITS INDEMNITEES FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES IN CONTRACT, TORT, WARRANTY, STRICT LIABILITY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR DATA.

11. **Insurance.** Each Party shall carry and maintain for the Term and for a period of one (1) year thereafter, at its cost, insurance coverages in such amounts as may be required under Applicable Laws, as well as commercial general liability insurance and such other insurance as shall be appropriate for the nature and extent of its business. To the fullest extent permitted by law, all insurance obtained by the Parties in compliance with this Agreement shall include a waiver of subrogation in favor of the other Party. Upon request, certificates of insurance evidencing the coverages, including renewals or replacements thereof, shall be provided. All insurers must have a minimum rating by A.M. Best of A- VIII.

12. **Independent Contractor Status.** The obligations performed by each Party in this Agreement shall be executed as an independent contractor. Neither Party nor any of its Representatives shall be considered an employee, representative, agent or subcontractor of the other Party or its Representatives.

13. **Anti-Bribery and Corruption.**

A. Each Party warrants to the other that:

- i. it has not offered, promised, given, accepted, or agreed to give or accept, and shall not during the Term offer, promise, give, accept, or agree to give to or accept from any person any bribe on behalf of the other Party or otherwise with the object of obtaining a business advantage for the other Party or otherwise;
- ii. it will not engage in any activity or practice which would constitute an offense under any applicable anti-bribery and corruption laws, including but not limited to the United States Foreign Corrupt Practices Act of 1977, the United Kingdom's Bribery Act 2010 and Canada's Corruption of Foreign Public Officials Act, and it will notify the other Party as soon as practicable of any offense of the foregoing acts in connection with this Agreement, or any breach of the undertakings contained in this section of which it becomes aware;
- iii. it has in place, and during the Term will maintain, its own policies, procedures, and internal controls, including accounting procedures to record expenditures in connection with this Agreement, necessary to ensure compliance with any applicable anti-bribery and corruption laws;
- iv. it will ensure that any person who performs or has performed services for or on its behalf ("**Associated Person**") complies with this section, it will not enter into an agreement with any Associated Person in connection with this Agreement unless such agreement contains terms substantially similar to those contained in this section, and it shall be responsible for any breach of such terms, or these terms, by any Associated Person that is a subcontractor of the Party hereunder;
- v. from time to time during the Term, at the reasonable request of the other Party, it will confirm in writing that it has complied with the terms of this section and will provide any information reasonably requested by the other Party to demonstrate such compliance; and
- vi. in the case of the City, it will abide by the "Reporting Hotline" section of SLWA's Business Partner Code of Conduct (described in "Business Partner Code of Conduct" section) to report to SLWA any request or demand for any improper payments or other improper advantage of any kind in connection with the performance of this Agreement.

14. **Records; Audit.** Each Party shall, at all times during the Term and for a period of seven (7) years after the termination or expiration of this Agreement, maintain complete and accurate records, together with supporting or underlying documents and materials, kept and maintained by such Party, its employees, contractors, agents, assigns, successors, or subcontractors, to substantiate such Party's compliance with its obligations and responsibilities under this Agreement. Up to once per year of the Term, each Party shall have the right, upon at least ten (10) days' prior written notice and during normal business hours, at its sole cost and expense, to audit and inspect, on its own or through a Representative, the other Party's records for the purpose of confirming such other Party's compliance with the terms of this Agreement.

15. **Notice.** Any notice required to be given under this Agreement shall be deemed to have been received when delivered (i) by personal service, (ii) by electronic mail with confirmation of delivery and receipt (provided a hard copy is sent promptly by regular mail), or (iii) by registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
City of Killeen
P.O. Box 1329
Killeen, TX 76541
Attention: Public Works
email: jreynolds@killeentexas.gov

With a copy to:
Water & Sewer Division
P.O. Box 1329
Killeen, TX 76541

With a copy to:
City Attorney's Office
P.O. Box 1329
Killeen, TX 76541

To: SLWA:
Utility Service Partners Private Label, Inc.
c/o HomeServe USA Corp.
45 Glover Ave., 6th Fl.
Norwalk, CT 06850
Attention: Michael Backus, Chief Revenue Officer
email: michael.backus@homeserveusa.com

With a copy to:
Legal Department
email: legal@homeserveusa.com

16. **Entire Agreement; No Third-Party Beneficiaries; Severability.** The Parties acknowledge that no representations, agreements, or promises were made by the other Party or by any of its Representatives other than those specifically contained in this Agreement. This Agreement, including the recitals as well as any attachments or exhibits, constitutes the entire agreement of the Parties with respect to the matters contemplated in this Agreement, and supersedes any prior agreement or understanding with respect to them, including that certain Outsourcing Agreement between the Parties dated May 1, 2019, but not that certain Marketing Agreement between the Parties dated May 1, 2019. The Parties agree that this Agreement was entered into solely for the respective benefit of each of them and their respective successors and assigns, and nothing in this Agreement is intended to create any third-party beneficiaries. This Agreement may be amended or modified only by a written instrument executed by an authorized representative of each of the Parties. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. Subject to Applicable Laws, the invalidity or unenforceability of a specific provision in the Agreement shall not render any other provision(s) invalid, inoperative, or unenforceable.

17. **Assignment.** Neither Party may assign or transfer any of its rights under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably delayed, withheld, conditioned, or denied, except to an affiliate of the assigning Party or an acquirer of all or substantially all of the assets of the assigning Party. Any purported assignment or delegation in violation of this section shall be null and void. No assignment or transfer of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties as well as their respective successors or permitted assigns.

18. **Counterparts; Electronic Delivery.** This Agreement may be executed in counterparts delivered by email, DocuSign, or other electronic transmission; such counterparts will be deemed originals and binding upon the Parties upon receipt, regardless of whether originals are delivered thereafter. All such counterparts will constitute one and the same contract, and the signature of any Party to any counterpart will be deemed a signature to any other counterpart.

19. **Contract Verification.** On or promptly after the Effective Date, SLWA agrees to submit a Contract Verification, to be provided by the City in accordance with Applicable Laws, attesting to the fact that SLWA does not boycott Israel, does not boycott energy companies, and does not discriminate against firearms entities or firearm trade associations.

20. **Governing Law; Venue; Waiver of Jury Trial.** The Parties shall comply with all Applicable Laws with respect to their respective obligations under this Agreement. This Agreement is governed by and shall be construed in accordance with the laws of Texas, without regard to the choice of law principles of the forum state. Any action at law, suit in equity, or other proceeding against any Party with respect to this Agreement or in connection with any of the matters contemplated by this Agreement shall be brought and maintained exclusively in the state or federal courts located in Texas, as applicable.

21. **Business Partner Code of Conduct.** SLWA and the City are committed to conducting their business activities with the highest standards of honesty and integrity. The City acknowledges that it has received and reviewed SLWA's Business Partner Code of Conduct (available at <https://www.homeserve.com/sc/cobc>) as updated from time to time, and the City agrees to abide by SLWA's Business Partner Code of Conduct as a material condition of this Agreement. Should the City suspect or become aware of any actual or suspected violation of SLWA's Business Partner Code of Conduct, the City shall promptly notify SLWA or its anonymous ethics hotline (*see* SLWA's Business Partner Code of Conduct).

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CITY OF KILLEEN, TEXAS

**UTILITY SERVICE PARTNERS PRIVATE
LABEL, INC. D/B/A SERVICE LINE
WARRANTIES OF AMERICA**

By: _____

Name: _____

Title: _____

DocuSigned by:
By: Michael Backus
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Name: Michael Backus

Title: Chief Revenue Officer

EXHIBIT A

Guidelines for Killeen ROW Program

When the sanitary sewer main is located near or in a public street, alley or highway

- **The Right of Way perimeters are:**
 - The linear developed length from the curb toward the property will be up to 11 feet. When determining the location of the leak/blockage, City staff will verify and advise SLWA of the extent of the ROW.
 - The linear developed length from the opposite side curb away from the property will be up to 11 feet. When determining the location of the leak/blockage, City staff will verify and advise SLWA of the extent of the ROW.
 - Between these 2 points is considered the Right of Way which would include the street, sidewalks and land area

When the sanitary sewer main is located within an easement or private property

- **The Right of Way perimeters are:**
 - From the center point of the sanitary sewer, up to 8 feet on either side is the ROW responsibility. When determining the location of the leak/blockage, City staff will verify and advise SLWA of the extent of the ROW.

Guidelines of execution of work for the Killeen ROW Program

- **Structural Failures** – Any leaking, collapsed, or permanently blocked piping impeding waste water flow within the boundaries of the ROW, damaged as a result of normal wear and tear.
 - **Includes** – *Any Sewer Line laterals and sewer main taps*
 - **Root Intrusion** – *In the case of root intrusion, the clog will be cleared and flow restored*
 - **Restoration of paved or concreted surfaces** – *All paved or concreted surfaces disturbed due to an excavation will be responsibly restored to their original state.*
 - **All repair or replacement work performed within the Killeen ROW on all such laterals or taps**– *Will be executed by 1 or more licensed contractors under the management of SLWA*
 - **All repair or replacement work performed within the Killeen ROW on all such laterals or taps**– *Will require a ROW permit and inspection through the Building Inspections Division.*
 - **City will determine the location of the leak** – and instruct SLWA accordingly
 - **All work deemed necessary to perform** –*will be completed at the discretion and cost of SLWA*

Exclusions for the Killeen ROW Program

- **Repairs that might be needed to meet local code requirement or utility directives for matters unrelated to the ability of the external sewer to maintain an unimpeded flow**
 - Failed smoke tests
 - Failed dye tests
 - Ground and/or storm water infiltration
- **Repairs reasonably requiring access to the residential/commercial or Industrial property**
 - If a property owner denies access to the internal or external portion of the property for the sole

purpose of performing repairs or diagnosing a negative issue

- **Damages from accident, negligence, natural disaster, or otherwise not related to normal wear and tear**
- **Shared sanitary sewer lines servicing 5 or more dwelling units**
- **Lift stations**
- **Sump, trash and grinder pumps**
- **Storm sewer lines**
- **Septic tanks**
- **Leaching Fields**
- **The installation of a cleanout to provide access to the Killeen ROW**