

ASSET PURCHASE AGREEMENT

WATER SYSTEM AT SEVEN RANCHES¹

MARICOPA, ARIZONA

EFFECTIVE

DATE: December 3, 2024

SELLER:

CITY OF MARICOPA, an Arizona municipal corporation

Address: 39700 W Civic Center Plaza

Maricopa, AZ 85138

Attention: Keith Brown, Public Works Director

Telephone: (520) 568-9098

Email:

BUYER:

GLOBAL WATER - SANTA CRUZ WATER COMPANY, INC., an
Arizona public service corporation

Address: 21410 N. 19th Avenue, Suite 220

Phoenix, Arizona 85027

Attention: Ross Mouhot / Legal Department

Telephone: (602) 772-9398 (Direct)

Email: ross.mouhot@gwresources.com

[AGREEMENT TERMS BEGIN ON NEXT PAGE.]

ASSET PURCHASE AGREEMENT

In consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

¹ City of Maricopa *Invitation for Bids No. 01-04052024*, (April 4, 2024).

I. DEFINITIONS

The terms identified below, when used in this Agreement, shall have the following definitions:

1. “§” is used interchangeably herein with the term “Section,” and both terms shall be given the same meaning where used.
2. “ACC” means the Arizona Corporation Commission.
3. “Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.
4. “ADEQ” means the Arizona Department of Environmental Quality.
5. “Advances in Aid of Construction” means funds paid or advanced to the Business by third parties, which may be refundable, as meter advances or service connection tariffs or pursuant to Line Extension Agreements at and as of the Closing Date.
6. “ADWR” means the Arizona Department of Water Resources.
7. An “Affiliate” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.
8. “Agreement” means this Asset Purchase Agreement, along with any accompanying addenda, attachments, exhibits, or other Ancillary Documents where referenced and incorporated herein.
9. “Ancillary Documents” means Closing Instructions - Payment Disbursement; General Releases; Seller Closing Certificate; Resolution No. 2023-01 of the Governing Board of the Seven Ranches Domestic Water Improvement District; IRS Form W-9 (or equivalent) of Seller; and any applicable FIRPTA Certificates.
10. “Assumed Liabilities” has the meaning set forth in Section 2.08.
11. “A.R.S.” means the Arizona Revised Statutes in effect on the Effective Date.
12. “Balance Sheet” has the meaning set forth in Section 3.04.
13. “Balance Sheet Date” has the meaning set forth in Section 3.04.
14. “Benefit Plan” has the meaning set forth in Section 3.17.
15. “Business” means the operation of the Utility System.
16. “Business Day” means any day except Saturday, Sunday or any other day on which commercial banks located in Arizona are authorized or required by Law to be closed for business.
17. “Business Permits” has the meaning set forth in Section 2.06.
18. “Buyer” shall refer to Global Water - Santa Cruz Water Company, Inc.
19. “Buyer Indemnitees” has the meaning set forth in Section 7.02.
20. “Closing Deliverables” has the meaning set forth in Section 2.03.
21. “CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*

22. “Closing” has the meaning set forth in Section 2.05.
23. “Closing Date” has the meaning set forth in Section 2.05.
24. “Closing Indebtedness Certificate” means a certificate, executed by a duly authorized representative of Seller, and certifying an itemized list of all outstanding indebtedness for borrowed money as of the open of business on the Closing Date and the Person to whom such outstanding indebtedness is owed and an aggregate total of such outstanding indebtedness.
25. “Code” means the Internal Revenue Code of 1986, as amended.
26. “Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments, and legally binding arrangements, whether written or oral.
27. “Customer Accounts” means all of Sellers’ accounts receivable arising from the conduct of its Business on or prior to the Closing Date, whether or not an invoice has been submitted by Seller.
28. “Disclosure Schedules” means the schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement, and as updated as of the Closing Date.
29. “District” shall mean the Seven Ranches Domestic Water Improvement District, which was dissolved by the District Board pursuant to Resolution 2023-01.
30. “Dollars” or “\$” means the lawful currency of the United States.
31. “Easements” has the meaning set forth in Section 2.06.
32. “Effective Date” shall mean the date specified on page one hereof.
33. “Encumbrance” has the meaning set forth in Section 2.03.
34. “Environmental Claim” means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.
35. “Environmental Law” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term “Environmental Law” includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 *et seq.*; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 *et seq.*; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 *et seq.*; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 *et seq.*; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of

1990, 42 U.S.C. §§ 7401 *et seq.*; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 *et seq.*

36. “Environmental Notice” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.
37. “Environmental Permit” means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.
38. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.
39. “Excluded Liabilities” has the meaning set forth in Section 2.08.
40. “Financial Statements” has the meaning set forth in Section 3.04.
41. “FIRPTA” means the federal Foreign Investment in Real Property Tax Act of 1980.
42. “GAAP” means United States generally accepted accounting principles.
43. “Government Contracts” has the meaning set forth in Section 3.07 (a) (ix).
44. “Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.
45. “Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.
46. “Hazardous Materials” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws;
47. “Indebtedness” means, without duplication and with respect to the Sellers, all (a) indebtedness for borrowed money; (b) obligations for the deferred purchase price of property or services, (c) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (d) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (e) capital lease obligations; (f) reimbursement obligations under any letter of credit, banker’s acceptance or similar credit transactions; (g) guarantees made by the Seller on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (f); and (h) any unpaid interest, prepayment penalties, premiums, costs, and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (g).
48. “Indemnified Party” has the meaning set forth in Section 7.06.
49. “Indemnifying Party” has the meaning set forth in Section 7.06.
50. “Insurance Policies” has the meaning set forth in Section 3.12.
51. “IGA” has the meaning set forth in Section 2.09.
52. “IRS” means the Internal Revenue Service of the United States Department of Treasury.

53. “Knowledge of Seller” or “Seller’s Knowledge” or any other similar knowledge qualification, means the actual knowledge of the current City Manager of the Seller, without undertaking any inquiry or investigation.
54. “Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.
55. “Liabilities” has the meaning set forth in Section 3.05.
56. “Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided, however*, that “Losses” shall not include punitive damages, except to the extent actually awarded to a Governmental Authority or other third party.
57. “Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the Business, results of operations of the Business, condition (financial or otherwise) of the Business, or assets of the Seller related to the Business, or (b) the ability of Seller to consummate the transactions contemplated hereby on a timely basis; *provided, however*, that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Seller or the Business operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement, except pursuant to Section 3.05 and Section 5.06; (vi) any changes in applicable Laws or accounting rules, including GAAP; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; *provided further, however*, that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Seller compared to other participants in the industries in which the Seller conducts its Business.
58. “Material Contracts” has the meaning set forth in Section 3.07 (a).
59. “Parties” shall refer to Buyer and Seller collectively.
60. “Party” shall refer to Buyer and Seller in their respective individual capacities.
61. “Permits” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.
62. “Permitted Encumbrances” has the meaning set forth in Section 2.03.
63. “Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.
64. “Purchase Price” has the meaning set forth in Section 2.02.
65. “Purchased Assets” has the meaning set forth in Section 2.06.
66. “Real Property” has the meaning set forth in Section 2.06.
67. “Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation,

ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

68. “Representative” means, with respect to any Party, any and all directors, officers, consultants, financial advisors, counsel, accountants and other agents of such Party.
69. “Schedule” followed by a section number refers to the Disclosure Schedules.
70. “Seller” shall refer to the City of Maricopa, Arizona.
71. “Seller Indemnitees” has the meaning set forth in Section 7.03.
72. “Service Area” means the geographic areas in which the Seller is lawfully entitled to provide public utility water services pursuant to ARS Title 45.
73. “Tangible Personal Property” has the meaning set forth in Section 2.06.
74. “Taxes” means all federal, state, local, foreign and other income, gross receipts, sales, transaction privilege, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.
75. “Utility System” means the entire physical in-ground and above-ground equipment and infrastructure comprising the Water System at Seven Ranches, owned and operated by Seller and consisting of all properties, tangible or intangible, real, personal, mixed or otherwise now existing or obtained through Seller’s acquisition, purchase, construction or otherwise before Closing, including all expansions, extensions, enlargements, and improvements of or to the water system, and used in connection therewith or relating thereto.

II. TERMS OF SALE.

2.01 Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, at the Closing, Seller agrees that it shall sell to Buyer, and Buyer agrees that it shall purchase from Seller the Purchased Assets, as defined in Section 2.06.

2.02 Purchase Price. The aggregate purchase price for the Purchased Assets shall be one hundred fifty thousand dollars and no cents (\$150,000.00) (the “Purchase Price”).

2.03 Transactions to be Effected at the Closing; Post-Closing Real Estate Matters.

(a) **Transactions to be Effected at the Closing.** At the Closing, Buyer shall deliver to Seller:

(i) the Purchase Price by check or wire transfer of immediately available funds to an account designated in writing by Seller to Buyer no later than two Business Days prior to the Closing Date; and

(ii) the Ancillary Documents and all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to Section 6.02 of this Agreement.

(b) At the Closing, Buyer shall pay on behalf of the Seller, by wire transfer of immediately available funds to the accounts and in the amounts specified on the Closing Indebtedness Certificate, by wire transfer of immediately available funds to the accounts and in the amounts specified therein.

(c) At the Closing, Seller shall deliver to Buyer the following Closing Deliverables:

(i) the Ancillary Documents and all other agreements, documents, instruments or certificates required to be delivered by Seller at or prior to the Closing pursuant to Section 6.03 of this Agreement.

(ii) A written assignment and assumption of utility easement for that certain Easement for Public Water Storage and Booster Pumping System dated October 14, 1999, which was filed in the records of the Pinal County Recorder on October 29, 1999 as Fee No. 1999-048797.

(iii) A written assignment and assumption of utility easement for that certain Utility Easement dated [REDACTED], 2024, which was filed in the records of the Pinal County Recorder on [REDACTED], 2024 as Fee No. 2024-[REDACTED].

(iv) A bill of sale for tangible and intangible personal property included in the Purchased Assets, free of all liens, debt, Indebtedness, liabilities or third party claims whatsoever other than the Excluded Liabilities.

(v) Seller's right, title and interest in and to the Permits and other Purchased Assets shall be assigned to Buyer, together with any required third-party consents to such assignment.

(vi) Then-current passwords, keys, or other access devices necessary for Buyer to operate the Utility Systems.

(vii) All financial records, receipts and other documentation to support all of Seller's capital investments in the Utility System, and to the extent applicable, any and all available records pertaining to: (A) historical advances and contributions from third parties; (B) any refunds issued to third parties; all physical and electronic supporting documentation related to the Utility System or the Business, any applicable historic regulatory filings, if any, regarding the Utility System or the Business; all records supporting any customer meter deposit and line extension refund obligations being assumed by Buyer, and such other records and documentation as reasonably required by Buyer to fulfill these refund obligations; and the General Ledger for the Business for the most recent year through and inclusive of the Closing Date (collectively the "Regulatory Records").

(viii) All applicable taxes and other governmental fees of the transfer of the Easements to Buyer, if any, shall be paid by Seller.

(ix) Updated Disclosure Schedules dated as of the Closing Date.

(x) Any applicable personal property taxes on the Purchased Assets and the Utility System, and any other applicable taxes, shall be prorated as of the Closing Date and Seller shall be required to pay its share at or prior to Closing. All other taxes and

assessments accrued or owed by Seller as the Closing Date or applicable to periods or events prior to the Closing Date with respect to the Purchased Assets shall be and remain the obligation of the Seller. All other taxes and assessments imposed or attempted to be imposed for periods or events from and after the Closing Date with respect to the Purchased Assets shall be the obligation of Buyer.

(d) Post-Closing Real Estate Matters. The Parties acknowledge that due to potential defects in the historical conveyances of the Real Property (as defined in § 2.06(a) hereof), Seller will be unable to transfer title to the Real Property to Buyer on the Closing Date. Accordingly, after the Closing Date, Seller agrees it will continue to diligently pursue a quiet title action, or such other related formal or informal actions as may be required to enable Seller to convey clear title to the Real Property to Buyer within a reasonable time following the Closing Date. Buyer and Seller agree to cooperate in good faith to execute any related agreements, and to perform any acts as may be reasonably required to effect the conveyance of title to Buyer as contemplated herein.

2.04 Purchase Price Adjustment. Intentionally omitted.

2.05 Closing. Subject to the terms and conditions of this Agreement, the purchase and sale of the Purchased Assets contemplated hereby shall take place at a closing (the "Closing") to be held remotely within thirty (30) days after the date upon which the last of the conditions set forth in Section 6 are fulfilled or waived, via exchange of electronic communications and documents or at such other time or on such other date or at such other place as Seller and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "Closing Date").

2.06 Purchased Assets. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("Encumbrance") other than the Permitted Encumbrances, all of Seller's right, title and interest in, to and under all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible, wherever located and whether now existing or hereafter acquired (other than the Excluded Assets) that are used in the Utility System or the Business (collectively, the "Purchased Assets"), including all of the assets reflected on Schedule 2.06 (excluding the Excluded Assets, as defined in Section 2.07), including without limitation:

(a) All interests of any nature in any real property of the Utility System owned by the Seller, including without limitation, the Real Property consisting of Pinal County Assessor parcel numbers 510-71-0460 and 510-71-011F, and all buildings, improvements and fixtures, including without limitation any and all 'in-ground and above-ground water lines, pipes, meters, hydrants, service lines, storage tanks, and all other related equipment located on any such real property, as identified in Schedule 2.06(a) hereto, and the Seller's right, title and interest in and to all rights, privileges, appurtenances, hereditaments, easements, reversions and remainders pertaining to or used in connection with such land or improvements, including, without limitation, all strips and gores, streets and alleys; all minerals, oil, gas, and other hydrocarbon substances; and all development rights, air rights, water and water rights (collectively, the "Real Property"), together with any surveys and environmental or geotechnical studies of any such Real Property;

(b) All easements, licenses, and prescriptive rights, owned by Seller for the construction, operation and maintenance of the Utility System, including those items identified in Schedule 2.06(b) (collectively, the "Easements");

(c) All wells, water treatment plants, water storage facilities and water supply and

distribution facilities of every kind and description whatsoever owned by Seller within the Seven Ranches District boundaries, whether or not currently used in connection with the Utility System, including but not limited to pumps, motors, plants, electric systems and services, Supervisory Control and Data Acquisition (“SCADA”) systems, tanks, transmission mains, distribution mains, supply pipes, valves, meters, meter boxes, advanced metering infrastructure, service connections up to the metered point of delivery, and all other physical facilities, equipment and property installations and office and computer equipment, together with all additions and replacements (including inventory) to any of the foregoing, including those items identified in Schedule 2.06(c) (collectively, the “Tangible Personal Property”);

(d) All certificates, franchises, Permits, license rights, consents, grants, ordinances, leaseholds, and all rights to construct, maintain and operate the Utility System and the plants and systems for the procuring, treatment, storage and distribution of water and every right of every character whatsoever in connection with the foregoing; all rights of Seller to receive a supply of water to the Utility System or others; all water rights, flowage rights and riparian rights and all renewals, extensions, additions or modifications of any of the foregoing; including those items identified in Schedule 2.06(d) (collectively, the “Business Permits”);

(e) All supplier lists, customer records (including historical customer billing information), prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information in seller’s or any of its affiliates’ possession or control and relating to the Utility System or the Business;

(f) The Regulatory Records;

(g) All vehicles, other “rolling stock” and equipment of Seller used or held solely for use in the operation of the Utility System or the Business, as identified in Schedule 2.06(g);

(h) All drawings, if any, including as-built drawings, showing facilities of the Utility System, including all original and reproduced materials in Seller’s possession or control;

(i) All customer meter deposits (but not Customer Security Deposits, as defined below) and developer deposits and prepayments under any line extension agreements, in each case as identified in Schedule 2.06(i);

(j) All third-party warranties relating to the Utility System or any equipment or other component comprising a part of the Utility System as identified in Schedule 2.06(j); and

(k) All water rights relating to the Utility System or the Business, including without limitation (i) the Seller’s rights in the Service Area, and (ii) the Seller’s rights to withdraw ground water as identified in Schedule 2.06(k).

2.07 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the following assets (collectively, the “Excluded Assets”) are excluded from the Purchased Assets to the extent present:

(a) All equity and debt securities of any nature; agreements with third parties that are not legally assignable to Buyer, or that contain a contractual prohibition on assignment; deposits maintained by Seller with any governmental authority (other than Seller and its subsidiary authorities) or public utility providing services to Seller; and, prepaid expenses of Seller that (i) are

Seller's sole property and (ii) are not subject to refund by Seller or its successor to customers, developers or others;

(b) All applicable provisions of Seller related to payment of federal and state income taxes;

(c) All corporate records and financial records of Seller to the extent the records are not related to the Utility System or Business, the Real Property, or the Tangible Personal Property thereof. Seller shall be entitled to retain copies of such records as needed for Seller's own records;

(d) Any and all assets of Seller not used solely for the Utility System or Business;

(e) Those assets of Seller used for the Utility System or Business that are expressly identified on Schedule 2.07.

2.08 Assumed Liabilities. Other than (a) obligations arising subsequent to the Closing as a result of Buyer's post-Closing operation of the Utility System; (b) obligations to refund the Transferred Deposits subsequent to the Closing, and (c) the obligation to provide utility services in connection with Buyer's operation of the Business from and after the Closing (collectively, the "Assumed Liabilities"), Buyer shall not assume or be obligated to pay, perform or discharge any debts, liabilities or obligations of Seller, whether or not related to the Purchased Assets or the Business (collectively, the "Excluded Liabilities"). Seller shall retain liability for all bills for services, materials and supplies, rendered in connection with the operation of the Utility System prior to the Closing Date, including but not limited to electricity or other utilities, for the period up to and including the Closing Date.

2.09 Excluded Liabilities. Notwithstanding any other term to the contrary in this Agreement, Seller and Buyer hereby acknowledge and agree that:

(a) Seller is a party to that certain Intergovernmental Agreement Regarding the Operation and Management of a Domestic Water System (the "IGA") in effect between Seller and the Seven Ranches Domestic Water Improvement District (the "District") dated January 28, 2021, and pursuant to which Seller agreed to certain obligations to the District and its customers. Seller's obligations set forth in the IGA include an obligation to "protect rates to ensure that future rates, which will be set by the City, will not exceed current rates beyond the customary and usual rate increases that have historically been in place [...] This rate structure will remain in place until the property is developed or the property is sold to an unrelated party;"

(b) Utility System customers, upon the Closing, will thereafter become the customers of Buyer and subject to Buyer's ACC-approved Rates Tariff then in effect for Buyer's residential and commercial customers; and,

(c) accordingly, Seller acknowledges and agrees that: (i) the IGA is not being assigned to the Buyer in the transaction contemplated by this Agreement; (ii) the obligations of Seller set forth in the IGA shall not be assigned, delegated, or otherwise transferred to Buyer in the transaction contemplated by this Agreement; and (iii) any such obligations are and shall remain the sole obligations of Seller after Closing.

III. REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the corresponding numbered Section of the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this Article III are true and correct as of the date hereof and shall be true and correct as of the Closing Date.

3.01 Organization and Authority of Seller. Seller is an Arizona municipal corporation duly organized as a city validly existing and in good standing under the Laws of the State of Arizona. Seller has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its Business as it has been and is currently conducted. Seller has full power and authority to enter into this Agreement and the Ancillary Documents to which Seller is a party, to carry out Seller's obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any Ancillary Document to which Seller is a party, the performance by Seller of Seller's obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite actions of Seller. This Agreement has been duly executed and delivered by Seller, and upon execution hereof by Buyer, this Agreement constitutes a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms. When each other Ancillary Document to which Seller is or will be a party has been duly executed and delivered by Seller, and upon execution thereof by Buyer, such Ancillary Document will constitute a legal and binding obligation of Seller enforceable against Seller in accordance with its terms.

3.03 No Conflicts; Consents. The execution, delivery, and performance by Seller of this Agreement and the Ancillary Documents to which Seller is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the ordinances of the current Maricopa City Code, or other organizational documents of the Seller; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller or the Business; (c) except as set forth in Schedule 3.03, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Seller is a party or by which Seller is bound or to which any of their respective properties and assets are subject (including any Material Contract) or any Business Permit affecting the properties, assets or business of the Seller; or (e) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any properties or assets of the Seller. Except as set forth on Schedule 3.03, no consent, approval, Business Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller in connection with the execution and delivery of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby.

3.04 Financial Statements.

(a) Complete copies of the Seller's financial statements for the Utility System consisting of the balance sheet of the Seller as of December 31, 2023, and to the extent applicable and available, any related historical balance sheets, financial statements, statements of income and/or retained earnings, equity, and cash flow for the periods then ended (the "Financial Statements"), are included in Schedule 3.04. The Financial Statements have been prepared in accordance with GAAP. The Financial Statements provided are based on the books and records of the Seller, and fairly present in all material respects the financial condition of the Utility System and Business as of the respective dates they were prepared, and the results of the operations of the Seller for the periods indicated. The latest month-end balance sheet of the Utility System as of June 30, 2024, and the latest year-end balance sheet as of December 31, 2023 shall be provided to Buyer not less than five (5) days prior to the Closing Date, and is referred to herein as the "Balance

Sheet” and the date thereof as the “Balance Sheet Date”. The Seller maintains a standard system of accounting established and administered in accordance with GAAP. In addition, prior to the Closing, Seller will provide Buyer updated Financial Statements for the most recent quarter prior to the Closing, which will be considered included in the definition of Financial Statements herein.

(b) All available (i) customer account consumption and revenue data for the Seller for the period beginning January 1, 2021 and ending on the Closing Date; and (ii) all meter location information, is true, correct and complete in all material respects.

3.05 Undisclosed Liabilities.

(a) Regarding the Utility System and Business, and all property owned thereby, Seller has no other known liabilities, obligations, or commitments of any nature whatsoever, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise (“Liabilities”), except (i) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (ii) those which have been incurred in the ordinary course of business, consistent with the past practices of Seller since the Balance Sheet Date, and which are not, individually or in the aggregate, material in amount.

(b) Without limiting the generality of the foregoing subsection 3.05 (a), there are: (i) no material overages to the Seller’s customers; (ii) no material unpaid customer refunds due under any Line or Main Extension Agreement in effect at Closing; and (iii) no material customer deposits reimbursable and due to customer at Closing.

3.06 Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, other than in the ordinary course of business, there has not been, with respect to Seller, the District, or the property owned thereby, any:

(a) event, occurrence or development that has had, or could reasonably be expected to constitute, whether individually or in the aggregate, a Material Adverse Effect;

(b) material change in any method of accounting or accounting practice of the Seller for the Utility System and Business, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(c) material change in the Seller’s cash management practices and its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;

(d) entry into any Contract that would constitute a Material Contract, except as listed in Schedule 3.07;

(e) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(f) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the Balance Sheet or cancellation of any debts or entitlements;

- (g) material damage, destruction or loss (whether or not covered by insurance) to its property;
- (h) any capital investment in, or any loan to, any other Person;
- (i) acceleration, termination, material modification to or cancellation of any Material Contract to which the Seller is a party, or by which it is bound, except as listed in Schedule 3.07;
- (j) any material capital expenditures except as listed in Schedule 3.06;
- (k) imposition of any Encumbrance upon any of the Seller properties, capital stock or assets, tangible or intangible;
- (l) (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses exceed \$2,000, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;
- (m) adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant or (ii) Benefit Plan, in each case whether written or oral;
- (n) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its stockholders or current or former directors, officers and employees;
- (o) entry into a new line of business or abandonment or discontinuance of existing lines of business;
- (p) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;
- (q) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of \$2,000, individually (in the case of a lease, per annum) or \$2,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business consistent with past practice;
- (r) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof;
- (s) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

3.07 Material Contracts.

- (a) Schedule 3.07(a) lists each of the following Contracts of the Seller or the District (such Contracts, together with all Contracts concerning the occupancy, management or operation

of any Real Property (including without limitation, brokerage contracts) listed or otherwise disclosed in Schedule 3.07(b), and the Contracts referenced in Section 3.07, being “Material Contracts”):

(i) each Contract of the Seller or the District involving aggregate consideration in excess of \$1,000 and which, in each case, cannot be cancelled or terminated by the Seller without penalty, or without requiring Seller to provide prior notice of greater than ninety (90) days;

(ii) each Line or Main Extension Agreements, and any other similar agreements to which Seller or the District is a party;

(iii) each Contract that requires the Seller or District to purchase its total requirements of any product or service from a third party or that contain “take or pay” provisions;

(iv) any Contracts that provide for the indemnification by the Seller or District of any Person or the assumption of any Tax, environmental or other Liability of any Person;

(v) all Contracts that relate to the acquisition or disposition of any part or segment of the Utility System or Business, a material amount of stock or assets of any other Person, or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(vi) all broker, distributor, dealer, manufacturer’s representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which the Seller is a party;

(vii) (except for Contracts relating to trade receivables, all Contracts relating to indebtedness (including, without limitation, guarantees) of the Seller or District;

(viii) all Contracts with any Governmental Authority to which the Seller or District is a party (“Government Contracts”);

(ix) all Contracts that limit or purport to limit the ability of the Seller or District to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) any Contracts to which the Seller or District is a party, and that provide for any joint venture, partnership or similar arrangement by the Seller or District; and

(xi) any other Contract that is material to the Seller or District, or that could be material to Buyer, and that is not otherwise disclosed pursuant to this Section 3.07.

(b) Seller represents that each Material Contract is valid and binding on the Seller (in Seller’s own right, or as delegated to Seller by the District) in accordance with its terms, and each is in full force and effect on the Closing Date, and each will be assigned or transferred to Buyer at Closing. Seller represents that none of Seller, District, nor to Seller’s knowledge and belief, any other party thereto is alleged to be in breach of or default in any material respect, nor has provided or received any notice of any intention to terminate, any Material Contract. Seller further represents that no event or circumstance has occurred that, with notice or lapse of time (or both), would: (i) constitute an event of default under any Material Contract; (ii) result in a termination thereof; or,

(iii) cause or permit the acceleration or other changes of any right or obligation, or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer.

3.08 Title to Assets; Real Property.

(a) The Seller has good and valid title to (or, in the case of owned Real Property, good and marketable fee simple title to), or a valid leasehold interest in, all Real Property, Easements, Tangible Personal Property and other Purchased Assets. All Purchased Assets (including leasehold interests) are free and clear of Encumbrances except for the Permitted Encumbrances. Buyer hereby acknowledges and agrees that the ownership interest of the City or the District in the real property generally known as Pinal County Assessor 510-71-011F, will not transfer to Buyer at the Closing, and in accordance with Section 2.03(d) hereof, will be transferred to Buyer at a future date.

(b) Schedule 2.06(a) lists (i) the street address of each parcel of Real Property, along with the Assessor Parcel Number, as applicable; (ii) if such property is leased or subleased by the Seller, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease for each leased or subleased property; and (iii) the current use of such property.

(c) With respect to owned Real Property (i) Seller has delivered or made available to Buyer true, complete and correct copies of the deeds and other instruments (as recorded) by which the Seller acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of Seller and relating to the Real Property; and (ii) Seller has granted no Person any right (including, without limitation, any assignment, lease, license, option, right of first refusal, right of first offer, or other right) in or to such Real Property or the possession, use or occupancy of the Real Property, and to Seller's Knowledge no such rights or claims by another Person in or to such Real Property exist.

(d) With respect to leased Real Property, Seller has delivered or made available to Buyer the true, complete, and correct copies of any leases and other Encumbrances affecting the Real Property. The Seller is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any leased Real Property.

(e) The Real Property is sufficient for the unimpeded operation of the Business as presently conducted by the Seller.

(f) The continuing use and operation of the Real Property in the conduct of the Business by Seller does not violate in any material respect, and after Closing, conduct of the Business by Buyer does not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit, or agreement. There are no Actions pending nor, to the Seller's Knowledge, threatened against or affecting the Real Property or any portion thereof or interest therein, or the ownership or operation thereof, or the ability of Seller to perform Seller's obligations hereunder, including, without limitation, in the nature or in lieu of condemnation or eminent domain proceedings of any governmental authority having jurisdiction over the Real Property.

(g) No construction work has been performed on or about any Real Property, whether

owned or leased, or to any improvements thereon within the last six (6) months, nor is any such construction work currently scheduled to be performed on or after the date of this Agreement which, in either case, could give rise to any mechanics' or materialman's liens.

(h) No known historical or archeological materials or artifacts of any kind, including without limitation any historical Native American ruins, are located on any part of the Real Property.

(i) No part of the Real Property is considered to be a "critical habitat" as defined in the Federal Endangered Species Act (16 U.S.C. §§ 1531 *et seq.*, as amended), or in regulations promulgated thereunder, nor are any "endangered species" or "threatened species" or habitats thereof located on the Real Property, as defined therein.

(j) No part of the Real Property is located within any water conservation, irrigation, soil conservation, weed or insect abatement, or other similar district, or any special improvement district. No part of the Real Property is within a floodplain, floodway or flood control district.

3.09 Condition and Sufficiency of Assets. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of Tangible Personal Property currently owned or leased by the Seller, together with all other properties and assets of the Utility System, are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing, and constitute all of the rights, property and assets necessary to conduct the Utility System and Business in accordance with Arizona law. The Seller makes no representations as to the condition or adequacy of any buildings, plants, structures, in ground and above ground pipes, fixtures, machinery, equipment, and other items of Tangible Personal Property.

3.10 *Intentionally Omitted.*

3.11 Accounts Receivable. The accounts receivable reflected on the Balance Sheet and the accounts receivable arising after the date thereof and prior to the Closing Date (a) have arisen from bona fide transactions entered into by the Seller involving the rendering of services in the ordinary course of business consistent with past practice; and (b) constitute only valid, undisputed claims of the Seller not subject to claims of set-off or other defenses or counterclaims.

3.12 Insurance. Schedule 3.12 sets forth a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Seller or its Affiliates and relating to the assets, business, operations, employees, officers and directors of the Seller (collectively, the "Insurance Policies") and true and complete copies of such Insurance Policies have been made available to Buyer. Such Insurance Policies are in full force and effect. Neither the Seller nor any of Seller's Affiliates has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy. The Insurance Policies do not provide for any retrospective premium adjustment or other experience-based liability on the part of the Seller. All such Insurance Policies (a) are valid and binding in accordance with their terms; (b) are provided by carriers who are financially solvent; and (c) have not been subject to any lapse in coverage. Except as set forth on Schedule 3.12, there are no claims related to the business of the Seller pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. None of Seller or any of Seller's Affiliates is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such

Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Seller and are sufficient for compliance with all applicable Laws and Contracts to which the Seller is a party or by which it is bound. Buyer hereby acknowledges and agrees that any such Insurance Policies are for the Seller as a municipal corporation and will not be transferrable to Buyer.

3.13 Legal Proceedings; Governmental Orders.

(a) There are no Actions pending or, to Seller's knowledge, threatened (a) against or by the Seller (or by or against any Affiliate thereof, and relating to the Seller, the District, or the Business); or (b) against or by the Seller or any Affiliate of Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Seller or any of its properties or assets including the Business and the Purchased Assets.

3.14 Compliance with Laws. The Seller has been and is in material compliance with all Laws affecting or relating to its properties and assets and the affairs and conduct of its business, including federal, state and local laws, statutes, ordinances, rules and regulations relating to equal employment opportunities, fair employment practices, occupational health and safety, wages and hours, and discrimination. Without limiting the generality of the foregoing, the Seller has satisfied all of its obligations to date with respect to the filing of annual reports with ADWR, and ADEQ. Seller has not received any written notice indicating that the Seller is in violation of any Laws, or that there has been or may be, or is currently, an investigation of the Seller by any Governmental Authority, except as set forth in Schedule 3.14.

3.15 Permits. No Business Permits shall transfer to Buyer at Closing.

3.16 Environmental Matters.

(a) The Seller has not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) Seller is not aware of any condition, event or circumstance that might prevent or impede, after the Closing Date, the ownership, lease, operation or use of the Business or Purchased Assets as currently carried out.

(c) To the best of Seller's Knowledge, no real property currently or formerly owned, operated or leased by the Seller (including the Real Property) is listed on, or has been proposed for listing on, the National Priorities List (or "CERCLIS") under CERCLA, or any similar state list.

(d) To the best of Seller's Knowledge, there has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the Business or Purchased Assets or any real property currently or formerly owned, operated or leased by the Seller (including the Real Property), and Seller has not received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the Business (including the Real Property) (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably

be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by Seller.

(e) Schedule 3.16(e) contains a complete and accurate list of all active or abandoned aboveground or underground storage tanks owned or operated by the Seller.

(f) Schedule 3.16(f) contains a complete and accurate list of all off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Seller and any predecessors as to which Seller may retain liability, (and Seller has not received any Environmental Notice regarding potential liabilities with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Seller).

(g) To the best of Seller's Knowledge, Seller has not been delegated, and has not retained or assumed, by contract or operation of Law, any liabilities or obligations of any third parties under Environmental Law applicable to the Utility System.

(h) Seller has provided or otherwise made available to Buyer and listed in Schedule 3.16(h): (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Business or Purchased Assets or any currently or formerly owned, operated or leased real property which are in the possession or control of the Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including, without limitation, costs of remediation, pollution control equipment and operational changes).

(i) Seller is not aware of, and Seller does not reasonably anticipate, as of the Closing Date, any condition, event or circumstance concerning the Release or regulation of Hazardous Materials that might, after the Closing Date, prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the Business or Purchased Assets currently carried out.

3.17 Employment Benefit Matters. Intentionally omitted.

3.18 Employment Matters. Intentionally omitted.

3.19 Related-Party Transactions. There are no transactions, agreements, arrangements or understandings between the Seller and an Affiliate of Seller. Except as set forth in Schedule 3.19, and amounts due and owing to Seller under this Agreement, there is no outstanding amount owing (including, without limitation, pursuant to any advance, note or other indebtedness instrument) from the Seller or any Affiliate of Seller, or from any related Person to the Seller.

3.20 No Illegal Payments. To the best of Seller's Knowledge, neither the Seller nor any employee, independent contractor, agent or other Person affiliated with the Seller, has ever offered, made or received on behalf of the Seller any illegal payment or contribution of any kind, directly or indirectly, to any Person, entity, or United States or foreign national, state or local government official, employees or agents or candidates therefor or other Persons, including, without limitation, any (i) payments, gifts or gratuities, (ii) bribes, kickbacks, or other similar payments, (iii) unlawful contributions to a domestic or foreign political party or candidate, or (iv) unlawful foreign payment (as defined in the Foreign Corrupt Practices Act, 16 U.S.C. § 78dd-1 *et seq.*).

3.21 Privacy. To the best of Seller's Knowledge, the Seller is, and at all times has been, in compliance with Laws pertaining to (i) data security, cyber security, and e-commerce and (ii) the collection, storage, use, access, disclosure, processing, security, and transfer of the data of the Seller, its employees and its customers (collectively, "Seller Data") (referred to collectively in this Agreement as "Data Activities") ((i) and (ii) together "Privacy Laws").

3.22 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

3.23 Full Disclosure. No representation or warranty by Seller in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any statement of a material fact that is known to be untrue, or, to the Seller's knowledge, omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

IV. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article IV are true and correct as of the date hereof.

4.01 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Arizona. Buyer has full power and authority to enter into this Agreement and the Ancillary Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any Ancillary Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer.

4.02 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of Buyer.

V. COVENANTS

5.01 Confidentiality. *Intentionally Omitted.*

5.02 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of three years after the Closing, Buyer shall:

(i) retain the books and records of the Seller relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of the Seller; and

(ii) upon reasonable notice, afford the Representatives of Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such books and records;

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer or the Business after the Closing, or for any other reasonable purpose, for a period of three years following the Closing, Seller shall:

(i) retain the books and records of Seller which relate to the Business and its operations for periods prior to the Closing; and

(ii) upon reasonable notice, afford the Representatives of Buyer reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such books and records;

(c) Neither Buyer nor Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 5.02 where such access would violate any Law.

5.03 Closing Conditions. From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VI hereof.

5.04 Public Announcements. Except where required by applicable Law (based upon the reasonable advice of counsel), or unless otherwise mutually agreed between the Parties, Seller shall not make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement. Notwithstanding anything to the contrary set forth herein, Buyer acknowledges and agrees that Seller may disclose this Agreement and the transactions contemplated hereby to the current users of the Utility System or residents of the District.

5.05 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

VI. CONDITIONS TO CLOSING

6.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) Buyer and Seller shall have received all necessary consents, authorizations, orders and approvals from the Governmental Authorities, if any, in form and substance reasonably satisfactory to Buyer and Seller, and no such consent, authorization, order and approval shall have been revoked.

(c) Buyer and Seller acknowledge that approval by the ACC of the transaction

contemplated by this Agreement will be necessary prior to the Closing. Buyer and Seller agree to reasonably cooperate to obtain the necessary ACC approval. Buyer will prepare the Application and other pleadings to be filed with the ACC. Buyer will bear any and all costs of obtaining the ACC approval. If the ACC does not grant approval, either party may terminate this Agreement without penalty. If the ACC approval includes one or more conditions that are not reasonably acceptable to Buyer or Seller, each in their own discretion may terminate this Agreement without penalty.

6.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Seller contained in this Agreement, the Ancillary Documents, the Closing Deliverables, and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and Ancillary Documents to be performed or complied with by it prior to or on the Closing Date; *provided, that*, with respect to agreements, covenants and conditions that are qualified by materiality, Seller shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) No Action shall have been commenced against Buyer or the Seller, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) All approvals, consents and waivers that are listed on Schedule 3.03 shall have been received and executed counterparts thereof shall have been delivered to Buyer at or prior to the Closing.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(f) The Ancillary Documents and the Closing Deliverables shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to Buyer.

(g) At least three Business Days before Closing, Seller shall have delivered to Buyer the Closing Indebtedness Certificate.

(h) If applicable, Seller shall have delivered to Buyer a certificate pursuant to Treasury Regulations Section 1.1445-2 (b) that Seller is not a foreign person within the meaning of Section 1445 of the Code.

(i) Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

6.03 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyer contained in this Agreement, the Ancillary Documents, the Closing Deliverables, and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date; *provided, that*, with respect to agreements, covenants and conditions that are qualified by materiality, Buyer shall have performed such agreements, covenants, and conditions, as so qualified, in all respects.

(c) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(d) The Ancillary Documents shall have been executed and delivered by the parties thereto and true and complete copies thereof shall have been delivered to Seller.

(e) Buyer shall have delivered to Seller by wire transfer or check in an amount equal to the Purchase Price transfer of immediately available funds, as designated at least two Business Days prior to the Closing Date by Seller in a written notice to Buyer.

(f) Buyer shall have delivered to holders of outstanding Indebtedness, if any, by wire transfer of immediately available funds that amount of money due and owing from the Seller to such holder of outstanding Indebtedness as set forth on the Closing Indebtedness Certificate (if applicable).

(g) Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

VII. INDEMNIFICATION

7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is two years from the Closing Date; *provided, that* the representations and warranties in (a) Section 3.01, Section 3.02, Section 3.14, Section 3.15, Section 3.23, Section 4.01 and Section 4.02 shall survive indefinitely, (b) Section 3.16 shall survive for a period of five years after the Closing, and (c) Section 3.17 shall survive for the full period of all applicable statutes of limitations (giving

effect to any waiver, mitigation or extension thereof) plus 60 days. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

7.02 Indemnification by Seller. Subject to the other terms and conditions of this Article VII, Seller shall indemnify and defend each of Buyer and its Affiliates and their respective Representatives (collectively, the “Buyer Indemnitees”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any claim regarding the Business or the Utility System arising from actions taken prior to Closing;

(b) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or,

(c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement (other than any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in Article VI, it being understood that the sole remedy for any such breach, violation or failure shall be pursuant to Article VI).

7.03 Indemnification by Buyer. Subject to the other terms and conditions of this Article VIII, Buyer shall indemnify and defend each of Seller and Seller’s Affiliates and their respective Representatives (collectively, the “Seller’s Indemnitees”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller’s Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any claim regarding the Business or the Utility System arising from actions taken after Closing;

(b) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or in any certificate or instrument delivered by or on behalf of Buyer pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement (other than Article VI, it being understood that the sole remedy for any such breach thereof shall be pursuant to Article VI).

7.04 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article VII, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds.

The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to but excluding the date such payment has been made at a rate per annum equal to twelve percent (12%). Such interest shall be calculated daily on the basis of a 365-day year and the actual number of days elapsed.

7.05 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

7.06 Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 6.02 or Section 6.03, as the case may be.

VIII. MISCELLANEOUS

8.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

8.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

If to Seller:

City of Maricopa
ATTN: Benjamin Bitter, City Manager
39700 W Civic Center Plaza
Maricopa, AZ 85138

with a copy to:

Denis M. Fitzgibbons, City Attorney
Fitzgibbons Law Offices, P.L.C.
1115 E. Cottonwood Lane, Suite 150
P.O. Box 11208
Casa Grande, Arizona 85130-0148
Email: denis@fitzgibbonslaw.com

If to Buyer:

The current Arizona Statutory Agent of record for:
Global Water – Santa Cruz Water Company, Inc.
on file with the Arizona Corporation Commission
Available at <https://ecorp.azcc.gov/EntitySearch/Index>

with a copy to:

Global Water - Santa Cruz Water Company, Inc.
ATTN: Legal Department
21410 N 19th Avenue, Suite 220
Phoenix, AZ 85027
legal@gwresources.com

8.03 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

8.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

8.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

8.06 Entire Agreement. This Agreement and the Ancillary Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Ancillary Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

8.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; *provided, however*, that prior to the Closing Date, Buyer may, without the prior written consent of Seller, assign all or any portion of its rights under this Agreement to

one or more of its direct or indirect wholly-owned subsidiaries. No assignment shall relieve the assigning party of any of its obligations hereunder.

8.08 No Third-party Beneficiaries. Except as provided in Section 6.03 and Article VII, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA, OR THE COURTS OF THE STATE OF ARIZONA, IN EACH CASE LOCATED IN THE COUNTY OF PINAL, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS

CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.10 (C).

8.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

8.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

8.13 Conflicts of Interest. The provisions of Arizona Revised Statutes (“A.R.S.”) § 38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this Agreement.

8.14 No Kick-Back Certification. Buyer warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of City has an interest, financially or otherwise, in Buyer. For breach or violation of this warranty, City shall have the right to annul this Agreement without liability, or at its discretion to deduct from the compensation to be paid Sponsor hereunder, the full amount of such commission, percentage, brokerage or contingent fee.

[SIGNATURE PAGES FOLLOW.]

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

“BUYER”

GLOBAL WATER - SANTA CRUZ WATER COMPANY, INC.

By: _____

Name: _____

Title: _____

Date: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this ____ day of _____, 2024, before me personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of Global Water - Santa Cruz Water Company, Inc., and is the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

My Commission Expires: _____

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

“SELLER”

CITY OF MARICOPA, an Arizona municipal corporation

By: _____

Name: _____

Title: _____

Date: _____

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

On this ____ day of _____, 2024, before me personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of the City of Maricopa, Arizona, and is the person whose name is subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

My Commission Expires: _____

ATTEST:

APPROVED AS TO FORM:

Vanessa Bueras, MMC
City Clerk

Tina Vannucci / Denis Fitzgibbons
City Attorney

