

RECYCLED WATER USER AGREEMENT

The State of Arizona's renewable water sources are limited and therefore water conservation is a primary concern. Customer desires to use recycled water supplied by the Utility for the land owned and maintained by the Customer to conserve potable water. The Utility encourages the use of recycled water as appropriate and where feasible to preserve water resources. Recycled water is subject to a variety of federal and state regulations that protect the safety of the public and the integrity of the potable water supply system. This Recycled Water User Agreement establishes the terms and conditions that apply to the use of recycled water from the Utility by the Customer.

1. Area of Use. Utility will deliver recycled water to a meter, for use by Customer only at the following location:

Lat: 33° 02' 24.65" N
Long: 112° 02' 25.59" W

2. No Water Rights. This Agreement provides for the delivery and use of recycled water only. No water rights are conveyed by this Agreement.
3. Resale of Recycled Water. Customer may not resell recycled water to any other person or legal entity. Customer is also prohibited from conveying recycled water delivered under this Agreement to any other premises or location.
4. Rates and Terms of Delivery. Recycled water will be delivered in accordance with Utility's Type 3 Recycled Water General Permit for a Recycled Water Agent, the approved tariffs of the Utility (including the Utility's Terms and Conditions of Service Tariff), and applicable provisions of the Arizona Administrative Code. Customer will pay the tariff rate for recycled water delivered.
5. Point of Delivery. The Utility's recycled water distribution system terminates after the meter. Customer is responsible for any private delivery or storage system costs, including the initial design, construction, and maintenance, related to Customer's use of recycled water, beyond the meter. Design, construction, and maintenance of Customer's recycled water system, including improvements related to the delivery, retention, and use of recycled water after the meter, shall be in compliance with the Utility's Design and Construction Standards.
6. Compliance with Regulations. Customer agrees to comply with any state, federal, and local laws, regulations, and standards that may apply to the construction of recycled water retention facilities and delivery systems and Customer's use of recycled water during the term of the Agreement.
 - a. Signage. Customer shall place and maintain signs at locations where recycled water is used and provide applicable notification so the public is informed recycled water is in use and no one should drink from the system.

- b. Securing Hose Bibs. Customer shall secure hose bibs on any component of the Customer's recycle water delivery system to prevent any unauthorized use.
 - c. Preventing Cross Contamination. Customer shall prevent recycled water from contact with the potable water system, drinking fountains, water coolers, or eating areas.
 - d. Backflow Prevention. Customer shall install a backflow prevention assembly on all potable water services at the site, in accordance with the approved Cross-Connection or Backflow Tariff for the water utility service provider and in compliance with applicable laws and regulations. Customer is responsible for the maintenance and testing of all backflow prevention.
 - e. Obligation to Train. Customer shall provide education and training to Customer's maintenance personnel regarding the use of recycled water and the fact that recycled water is not approved for drinking or other potable water uses.
 - f. Obligation to Maintain and Repair. Customer shall monitor and maintain Customers' recycled water delivery system to minimize equipment and material failure. Broken sprinkler heads, leaks, unreliable valves, etc. shall be repaired/replace as needed.
 - g. Reporting of Off-Site Discharge. Customer is required to report to the Utility and to the Arizona Department of Environmental Quality any off-site discharge of recycled water.
 - h. Compliance with Construction Standards. Customer's recycled water retention facility and delivery system shall comply with all state, federal, and local laws, regulations, and standards, and the construction standards of the Utility.
 - i. Conservation Allotment. Customer is solely responsible for compliance with the annual water conservation allotment by the Arizona Department of Water Resources (ADWR), including any required reporting. If ADWR takes any enforcement action against Utility regarding compliance with the annual water allotment, Customer will be solely responsible to remedy, including but not limited to paying any fines, extinguishing any water rights, or implementing any other action required by ADWR for compliance. If ADWR takes any enforcement action, including issuance of a notice of violation, or if Customer is using water in excess of its conservation allotment and its then accrued flex account, Utility may reduce or stop recycled water deliveries.
7. Inspection. Customer agrees that the Utility or any public agency with the authority to verify compliance with recycled water use regulations may inspect Customer's premises to verify compliance. Upon written notification of a deficiency by Utility or any public agency with the authority to verify compliance, Customer shall make required improvements or repairs by the deadline specified in the notification to achieve compliance with applicable laws and regulations.

8. Disruption of Service. Customer accepts that the Utility may be required to disrupt recycled water services to the Customer's premises due to emergency conditions, peak demands, or planned system maintenance. The volume of recycled water available for delivery varies. The Utility does not guarantee to deliver recycled water to Customer at any specific volume or operating pressure. Customer agrees to hold the Utility harmless for damage, if any caused by disruptions, low or high pressure, fluctuations of pressure, or curtailment of service. The Utility may deliver an alternate source of water in periods of peak demand or planned maintenance of the Utility's recycled water system. When there is an unforeseen emergency relating to the Utility's recycled water delivery system, the Utility may terminate deliveries of recycled water without notice. When notice of an emergency is given, Customer agrees to reduce or cease usage of recycled water service at the Utility's request. To accommodate peak demand periods or planned maintenance of its recycled water system, the Utility shall provide Customer with twenty-four (24) hours' notice of the need to cease recycled water usage altogether, or to reduce the volume of recycled water used. Upon being provided with such notice, Customer will alter its recycled water usage according to the Utility's request.
9. Lease (Rental) of Property. Customer agrees that all leases of the premises described herein shall be in writing and must be made expressly subject to this Agreement.
10. Transfer of Property. If Customer sells the premises described herein or otherwise transfer the financial responsibility for the premise's recycled water bills, Utility shall not be obligated to provide recycled water to any subsequent owner or user of the premises unless any successors sign a new Recycled Water User Agreement and meet all other conditions of recycle water use. Customer will close its recycled water account with the Utility and pay fees or charges incurred by Customer before the disposition of Customer premises is effective.
11. Indemnity. Customer agrees to indemnify, defend and hold harmless Utility, Utility's officers, agents, servants, and employees from all suits, actions, losses damages, claims, or liability, penalties and expenses of any character, type or description, including without limitation, any fines, penalties and costs or damages whatsoever arising out of any action taken by any governmental entity or regulatory authority, department or agency of any governmental entity or any other person, including citizen suits, against Utility for alleged noncompliance with laws, regulations, or standards, whether relating to the environment or otherwise and including, without limiting the generality of the foregoing, all expenses of litigation, court costs, attorneys fees, damages for injury, death or property damage sustained by any person or persons arising out of or occasioned by the acts of Customer, its officers, agents, employees or representatives or Customer's breach of the terms and conditions of this Agreement. This promise to indemnify and hold harmless shall exclude such injuries, death, or property damage caused by the sole negligence of Utility, its officers, agents, or employees. In case any action or proceeding may be brought against Utility for any matter for which Agent is indemnified under this section, Customer covenants to assume in full the defense of such action or proceeding at Customer's expense upon written notice from Utility. Utility shall have the right to employ separate counsel in any such action and participate in the defense thereof.

12. Term and Termination. This Agreement shall continue until terminated. Customer agrees that recycled water service may be discontinued for failure to comply with the terms and conditions of this agreement. Utility may terminate this Agreement if it determines in its sole discretion that that Utility is or will be unable to deliver recycled water to Customer for any reason whatsoever for a period of greater than thirty (30) days. If Customer elects to stop receiving recycled water deliveries, Customer may terminate this agreement upon thirty (30) days written notice. Upon receipt of notice of termination from Customer, Utility will remove the recycled water meter and physically disconnect the Utility's recycled water delivery infrastructure.

13. General Conditions.

- a. This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona, and venue of any litigation hereunder shall be in a court of competent jurisdiction sitting in Pinal County, Arizona.
- b. This Agreement and the schedules and attachments thereto contain all the agreements of the parties regarding this Agreement and cannot be enlarged, modified, or changed in any respect except by written agreement between the parties.
- c. The unenforceability, invalidity, or illegality of any provisions of this Agreement shall not render the other provisions unenforceable, invalid, or illegal, but the parties shall negotiate as to the effect of said unenforceability, invalidity or illegality on the rights and obligations of the parties.
- d. Customer and Utility will each use their best efforts to fully cooperate with one another as may be necessary to diligently obtain and maintain in effect any required permits and all other approvals and records required by Laws, Regulations, and Standards that may be necessary for Customer and Utility to perform under, or take advantage of, the terms and conditions of this Agreement.
- e. The captions, titles and headings in this Agreement are merely for the convenience of the parties and shall neither limit nor amplify the provisions of the Agreement itself.
- f. Notices to be given by either party to the other relative to this Agreement shall be in writing. Both parties agree that any such notice shall be effective when personally delivered or deposited, postage paid, in the U.S. Mail addressed by certified mail, return receipt request, to the address stated below the party's signature of this Agreement.
- g. This Agreement is for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third party. Nothing herein shall be construed to confer standing upon any third party who did not otherwise have such standing.

Customer and Utility have executed this Agreement as of the last date and year indicated below.

UTILITY
Global Water – Palo Verde Utilities
Company, Inc.

CUSTOMER

Signature

Signature of Authorized Agent

Jon Corwin, VP and General Manager

Name

Date Signed

Date Signed