

When recorded mail to:

**Clerk of the Board
PO Box 827
Florence, AZ 85132**

(The above space reserved for recording information)

**WASTEWATER FRANCHISE AGREEMENT BETWEEN PINAL COUNTY AND
GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.**

**DO NOT DISCARD THIS PAGE. THIS COVER PAGE IS RECORDED AS PART
OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE
FEE NUMBER IN THE UPPER RIGHT CORNER IS THE PERMANENT
REFERENCE NUMBER OF THIS DOCUMENT IN THE PINAL COUNTY
RECORDER'S OFFICE.**

When recorded return to:

Clerk of the Board
P.O. Box 827
Florence, Arizona 85132

**2022 FRANCHISE AGREEMENT BETWEEN
GLOBAL WATER - PALO VERDE UTILITIES COMPANY, INC.
AND
PINAL COUNTY, ARIZONA**

This FRANCHISE AGREEMENT is made and entered into between Pinal County, a political subdivision of the State of Arizona (“**Grantor**” or “**County**”) and Global Water – Palo Verde Utilities Company, Inc., an Arizona for-profit corporation (“**Grantee**”).

RECITALS

WHEREAS, Grantee is duly authorized to conduct business in the State of Arizona; and

WHEREAS, Grantee represents and warrants to Grantor that it is a public services corporation within the meaning of Article 15, Section 2 of the Arizona Constitution and is authorized to provide wastewater and recycled water services in portions of Pinal County, Arizona, in accordance with a Certificate of Convenience and Necessity; and

WHEREAS, Grantee has duly filed and presented to the Pinal County Board of Supervisors (the “**Board**”) its application for a new public utility franchise for the purpose of constructing, operating, and maintaining sewer lines, recycled water distribution lines and related appurtenances along, under, and across the public streets, roads, easements, alleys, other public rights of way and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit “A” attached hereto and incorporated herein by reference (hereinafter “**Application**”); and

WHEREAS, after filing the Application, the Board ordered a public notice of its intent to consider the granting of the public utility franchise to Grantee to be published in a newspaper of general circulation in Pinal County, Arizona, stating the time and place for consideration of the Application per Arizona Revised Statutes (“**A.R.S.**”) § 40-283(E); and

WHEREAS, the public hearing for consideration of the Application was scheduled for 9:30 a.m. on January 25, 2023, at the Pinal County Board of Supervisors Hearing Room, Administration Building No. 1, Florence, Arizona; and

WHEREAS, said Application having come on regularly for hearing at 9:30 a.m. on January 25, 2023, and it appearing from the affidavit of the publisher of the Tri-Valley Dispatch, that due and regular notice of such action has been published for at least once per week for three consecutive weeks prior to said hearing date, to wit: in the issues of the Casa Grande Valley Newspaper Inc., published on January 5, 2023, January 12, 2023 and January 19, 2023, and the matter being called for hearing at 9:30 a.m. on January 25, 2023 and an opportunity having been given to all interested parties to be heard; and

WHEREAS, the County, through its Board, has the power to grant a franchise to Grantee under A.R.S. § 40-283; and

WHEREAS, the Board has determined that it is in the best interests of, and consistent with, the health, safety and welfare of the citizens of Pinal County to grant a franchise to Grantee for the purposes specified herein and on the terms and conditions set forth in this Franchise Agreement; and

WHEREAS, Grantor and Grantee agree and acknowledge that the Recitals set forth above are true and correct and are by this reference incorporated herein;

NOW, THEREFORE, Grantor and Grantee do hereby state, promise and agree as follows:

Section 1: GRANT OF FRANCHISE

A. Grantor, subject to and conditioned upon Acceptance of Grantee as set forth in Section 11 hereof, hereby grants to Grantee for a period of twenty-five (25) years, this new public utility Franchise (hereinafter "**Franchise**") for the purpose of constructing, operating, and maintaining sewer utility lines, recycled water distribution lines and related appurtenances along, under, and across public streets, roads, easements, alleys, and highways, other public rights of way, except federal and state highways, subject to the terms and conditions set forth in this Franchise Agreement, which shall remain in full force and effect for the term of the Franchise granted hereby or any renewal or renewals thereof, within the unincorporated area of Pinal County, Arizona, as described in the Application (hereinafter "**Franchise Area**") (**Exhibit "A"**).

B. Nonexclusive Franchise.

(1) The Franchise granted hereby shall not be exclusive and shall not restrict in any manner the right of County in the exercise of any regulatory power which it now has or which may hereafter be authorized or permitted by the laws of the State of Arizona. Nothing herein shall be construed to prevent County from granting other like or similar franchises to any other person, firm or corporation. County retains and shall ever be considered as having and retaining the right and power to allow and to grant to any other person, firm, corporation or other companies, franchise rights and privileges to be exercised in and upon its public streets, roads, easements, alleys,

highways, rights of way and public places, and such of the same and parts thereof as County may deem best or choose to allow, permit, give or grant so long as such franchise rights and privileges shall not interfere with Grantee's use of the Grantee's sewer utility structures, equipment, lines, plants and related appurtenances ("**Grantee's Facilities**").

(2) Nothing herein shall be construed to prevent County and its proper authorities from constructing and installing sewer lines, sewers, gutters, or improvements to its public highways, streets, roads, easements, alleys and other public rights of way so long as said improvements do not interfere with Grantee's Facilities.

C. **Reservation of Rights.**

(1) County reserves the right to alter and amend the Franchise governed hereby at any time and in any manner necessary for the safety or welfare of the public or to protect the public interests, and County reserves the right to impose at any time restrictions and limitations upon the use of the public streets, roads, easements, alleys, rights of way, and highways as County deems best for the public safety or welfare.

(2) County expressly reserves the right, after thirty (30) days written notice to Grantee, to modify, amend, alter, change, or eliminate any of the provisions of the Franchise governed hereby which may become obsolete or impractical; and to impose such additional conditions upon Grantee as may be just and reasonable, such conditions to be those deemed necessary for the purpose of ensuring adequate service to the public; provided however, County shall not modify, amend, alter, change, or eliminate any of said provisions until after thirty (30) days and a public hearing, if such is legally required or requested by Grantee.

Section 2: RENEWAL/SUBSEQUENT APPLICATION

The Franchise herein granted shall expire twenty-five (25) years after its effective date, or upon any prior forfeiture; and upon its termination, Grantee shall cease to exercise under the terms of the Franchise the privileges herein granted. In the event Grantee desires a renewal of the Franchise herein granted, or to enter into a new franchise agreement for a subsequent period, Grantee shall apply to and open negotiations with County for that purpose at least six (6) months before the expiration of the Franchise herein granted; but nothing herein shall be construed to bind County to grant such renewal or to grant a new franchise to Grantee pursuant to a new franchise agreement.

Section 3: REGULATION

Grantee shall be subject to reasonable regulations for the maintenance by Grantee of such portion of the public streets, roads, easements, alleys, rights of way, and highways altered, damaged, or destroyed by Grantee, its agents, employees or contractors, in exercising the privileges granted by

this Franchise Agreement, including, but not limited to provisions for repair as set forth in Section 8(B) herein.

Section 4: CONSTRUCTION, INSTALLATION AND REPAIRS

A. Before beginning any construction for installation of Grantee's Facilities, Grantee shall submit a plan of proposed construction to the Pinal County Engineer and shall not commence any construction until the plan of construction is approved by the County Engineer or his designate.

B. All work performed by Grantee, its agents, employees, or contractors, under this Franchise Agreement shall be done in the manner prescribed by County and subject to the supervision of County, and in strict compliance with all laws, ordinances, rules, licensing/permitting requirements, and regulations of federal, state, and local governments.

C. No construction, reconstruction, repair, or relocation under the Franchise granted hereby shall be commenced until written permits have been obtained from the proper County officials. In any permit so issued, such officials may impose such conditions and regulations as a condition of the granting of the same as are necessary for the purpose of protecting any structures, highways, streets, roads, easements, or rights of way and for the proper restoration of such structures, highways, streets, roads, easements, or rights of way, for the protection of the public and the continuity of pedestrian and vehicular traffic.

D. No construction under this Franchise Agreement by Grantee shall impose upon County the duty to maintain any public road, easement, street, alley, highway or right of way unless County accepts said public road, easement, street, alley, highway or right of way into the county maintenance system by Board resolution as provided by law. See A.R.S. § 40-283(D).

E. Grantee shall retain all right, title, and interests to the Grantee's Facilities within the Franchise Area.

Section 5: INSPECTION

County shall, if it deems it necessary, have the right to inspect the construction, operation, and maintenance of Grantee's Facilities to ensure the proper performance of the terms of this Franchise Agreement.

Section 6: SUFFICIENCY, LOCATION AND MAINTENANCE

All of Grantee's Facilities shall be in all respects adequate, efficient, substantial, and permanent in design and workmanship, and shall be so located, erected, and maintained in good order and repair so as not to interfere with the use, enjoyment, or safety of the public streets, roads, easements, alleys, highways, or rights of way.

Section 7: EXPANSION

Grantee may from time to time, during the term of this Franchise Agreement make such enlargements and extensions of its sewer system as are necessary to adequately provide for the requirements of County and the inhabitants of the Franchise Area; provided that nothing herein shall compel Grantee to expand or enlarge its system beyond the economic and operating limits thereof. Such enlargements and extensions shall be made in accordance with County rules and regulations.

Section 8: RELOCATION; REPAIR

A. During the term of this Franchise Agreement, if County or any qualified authority having jurisdiction in the Franchise Area alters, repairs, improves, or changes the grade of any public street, road, easement, alley, highway, or right of way in the Franchise Area, then and in such event, Grantee, at its own expense, shall, if reasonably required as a matter of public safety, promptly make such changes in the location, structure, or alignment of its sewer lines and related appurtenances as the County Engineer or the County Engineer's designee may deem necessary as provided in Section 8(B).

B. Within sixty (60) days after receiving written notice from County of needed changes or corrections in Grantee's Facilities, and upon the failure of Grantee to make such changes or corrections as set forth in Section 8(A) or to otherwise repair or correct any damage to any public street, road, easement, alley, highway, or right-of-way within the Franchise Area caused directly or indirectly by Grantee, its agents, employees, or contractors, County shall have the right to make, or cause such changes, repairs or corrections to be made at the expense of Grantee. In the event that any changes, corrections, or repairs are deemed an emergency by County, Grantee, upon receipt of notice of such an emergency, shall make such changes, corrections, or repairs deemed necessary by County to provide for health and safety concerns. In the event that Grantee does not make the necessary changes, corrections, or repairs within a reasonable period of time, County may make, or cause such changes, corrections, or repairs to be made at the expense of Grantee. Any expenses incurred for such changes, corrections, or repairs shall be due and payable within thirty (30) days of written demand by County to Grantee.

Section 9: LIABILITY

A. If any public street, road, easement, public right-of way, highway, alley, way, bridge, sidewalk, public place, or other public facility is disturbed, altered (including, but not limited to, any alteration of the direction, surface, grade or alignment thereof), damaged, or destroyed by Grantee, its agents, employees, or contractors, in the construction, design, installation, operation, and maintenance of Grantee's Facilities under this Franchise Agreement, the same shall be promptly repaired, reconstructed, replaced or restored by Grantee, without cost to County, as provided in Section 8(B), in as good condition as before Grantee's entry and to the satisfaction of County.

B. Grantee shall be responsible to every owner of property which shall be injured by the work of construction, installation, operation or maintenance of Grantee's Facilities under this Franchise Agreement, and all physical damage done to such injured property through any sole act or omission of Grantee, its agents, employees or contractors, arising out of said construction, installation, operation or maintenance.

C. It is a condition of the Franchise granted hereby that County shall not and does not by reason of the Franchise assume any liability of the Grantee whatsoever for injury to persons or damage to property.

Section 10: INDEMNIFICATION

Grantee by its acceptance of the Franchise granted hereby agrees that throughout the entire term of this Franchise Agreement, Grantee, at its sole cost and expense, shall indemnify, defend, save, and hold harmless Pinal County, its elected officers, employees, and agents from any and all lawsuits, judgments and claims for injury, death and damage to persons and property, both real and personal, caused solely by the construction, design, installation, operation, or maintenance of Grantees Facilities by Grantee, its agents, employees, or contractors, within the Franchise Area. Indemnified expenses shall include, but not be limited to, litigation and arbitration expenses, and attorneys' fees.

Section 11: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Franchise granted hereby shall be accepted by Grantee by written instrument in the form attached hereto as **Exhibit "B"** (hereinafter "**Acceptance**") (attached hereto and incorporated herein by reference) executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Board within thirty (30) days after the date this Franchise Agreement is approved by County. This Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Board in the form required and within the time specified above.

Section 12: LIMITS ON GRANTEE'S RECOURSE

A. Grantee, by its acceptance of the Franchise granted hereby, acknowledges such acceptance relies upon Grantee's own investigation and understanding of the power and authority of the County to grant this Franchise. Grantee, by its acceptance of the Franchise granted hereby accepts the validity of the terms and conditions of this Franchise Agreement in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision hereof as unreasonable, arbitrary, or void, or that County did not have the authority to impose such term or condition.

B. Grantee, by its acceptance of the Franchise granted hereby, acknowledges that it has not been induced to accept the same by any promise, verbal, or written, by or on behalf of County or by any third person regarding any term or condition of this Franchise Agreement not expressed herein. Grantee, by its acceptance of the Franchise Agreement and the Franchise granted hereby,

further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Franchise.

C. Grantee, by its acceptance of the Franchise granted hereby, further acknowledges that it has carefully read the terms and conditions of this Franchise Agreement and accepts without reservation the obligations imposed by the terms and conditions herein.

D. The Board's decision concerning its selection and awarding of the Franchise granted hereby shall be final.

Section 13: FAILURE TO ENFORCE FRANCHISE

Grantee shall not be excused from complying with any of the terms and conditions of this Franchise Agreement by any failure of County, upon any one or more occasions, to insist upon the Grantee's performance or to seek Grantee's compliance with any one or more of such terms or conditions.

Section 14: COMPLIANCE WITH THE LAW

Grantee shall at all times, conduct its business under the Franchise granted hereby in accordance with all federal, state, and local laws, rules, ordinances, codes, licensing/permitting requirements, and regulations, as amended, including any future amendments thereto as may, from time to time, be adopted.

Section 15: INTERPRETATION/GOVERNING LAW

The interpretation and performance of the Franchise granted hereby and of the general terms and conditions hereof shall be in accordance with and governed by the laws of the State of Arizona.

Section 16: VENUE

Exclusive venue for any legal action to enforce the provisions, terms, and conditions of this Franchise Agreement shall be the Superior Court of the State of Arizona in and for the County of Pinal, Florence, Arizona.

Section 17: SEVERABILITY

If any section, provision, term, or covenant or any portion of any section, provision, term, or covenant of this Franchise Agreement is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term, or covenant or the remaining sections, provisions, terms, or covenants of this Franchise Agreement, all of which shall remain in full force and effect for the term of the Franchise granted hereby or any renewal or renewals thereof.

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Section 18: FORFEITURE

A. If Grantee fails to comply with any of the provisions of this Franchise Agreement or defaults in any of its obligations hereunder, except for causes beyond the reasonable control of Grantee; and shall fail within thirty (30) days after written notice from County to commence, and within a reasonable time and not longer than sixty (60) days, complete the correction of such default or noncompliance, County shall, following public hearing, have the right to revoke this Franchise Agreement, the Franchise granted hereby, and any and all rights of Grantee hereunder. In the event Grantee makes a general assignment or general arrangement for the benefit of creditors; or a trustee or receiver is appointed to take possession of substantially all of Grantee's Facilities within the Franchise Area or of Grantee's interest in the Franchise granted hereby, where possession is not restored to Grantee within thirty (30) days; or Grantee's Facilities within the Franchise Area are subject to an attachment, execution or other seizure of substantially all of the Grantee's Facilities within the Franchise Area or the Franchise granted hereby, where such seizure is not discharged within thirty (30) days, County may declare this Franchise Agreement, the Franchise granted hereby, and any expansion hereto, forfeited, and terminated.

B. Nothing herein contained shall limit or restrict any other legal rights that County may possess arising from such violations.

Section 19: REVOCATION OF FRANCHISE

The Franchise granted hereby may, after due notice and hearing, be revoked by County for any of the following reasons:

A. For false or misleading statements in, or material omissions from the Application for and the hearing on the granting of the Franchise.

B. For any transfer or assignment of the Franchise granted hereby or control thereof without County's written consent.

C. For failure to comply with any of the material terms and conditions of this Franchise Agreement.

D. Upon termination, revocation, or forfeiture of the Franchise granted hereby, Grantee forfeits all rights granted in Section 1 of this Franchise Agreement. Within ninety days after the date of termination, revocation or forfeiture Grantee shall apply for and obtain a right-of-way permit from the Pinal County Public Works Department to continue operation of Grantee's existing facilities. Said right-of-way permit shall not be unreasonably delayed, withheld or refused.

Grantee shall not be permitted to expand its area of operation until the terminated, revoked or forfeited Franchise granted hereby is either renewed, reinstated or replaced.

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Section 20: ASSIGNMENT/TRANSFER

Grantee shall not assign or transfer any interest in the Franchise granted hereby without the prior written consent of Grantor. Grantor shall not unreasonably withhold its consent to a proposed transfer.

Section 21: NOTICE

Notices required under this Franchise Agreement shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

Global Water, Palo Verde Utilities Company, Inc.
21410 N. 19th Avenue, Suite 220
Phoenix, AZ 85027

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

Section 22: REMEDIES

Rights and remedies reserved to the parties by this Franchise Agreement are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter hereof and a waiver thereof at any time shall not affect any other reservation of rights or remedies.

Section 23: RIGHT OF INTERVENTION

County hereby reserves to itself, and Grantee hereby grants to County, the right to intervene in any suit, action, or proceeding involving any provision of this Franchise Agreement.

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Section 24: BOOKS AND RECORDS

Grantee shall maintain books and records that identify all of Grantee's underground facilities by type and location within the Franchise Area. Grantee shall make such books and records available to County upon County's request and without cost to County.

Section 25: AD VALOREM TAXES

Grantee shall pay its ad valorem taxes before they become delinquent.

Section 26: INSURANCE

Grantee shall maintain and provide to County proof of the following insurance, with coverages and limits of liability not less than those stated below throughout the term of the Franchise Agreement. Insurance requirements for construction and installation are not contemplated below and will be addressed in the County permitting process.

Insurance company or companies must be duly licensed by the State of Arizona and possess a current A.M. Best rating of not less than A-6, or must meet the approval of the County. Grantee's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to County. Insurance provided by Grantee shall not limit Grantee's liability assumed under the indemnification provision of this Franchise Agreement. The County reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this Franchise Agreement to respond to changes in Franchise operations or risk to the County.

A. Commercial General Liability (CGL) and, if necessary, "following form" Commercial Excess/Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$5,000,000 General Aggregate Limit, and \$5,000,000 Completed Operations/Products Aggregate. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage.

B. Commercial Automobile Liability insurance with a combined single limit (CSL) for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Grantee's owned, hired, and non-owned vehicles assigned to or used in Grantee's operations or service related to the Franchise Agreement.

C. Workers' Compensation and Employer's Liability.

Workers' Compensation: Statutory

Employer's Liability:

- Each Accident, \$1,000,000
- Disease – Each Employee, \$1,000,000
- Disease – Policy Limit, \$1,000,000

D. Pollution Liability Coverage /CGL Endorsement, and if necessary "following form" Excess/ Umbrella, with a limit not less than \$3,000,000 per occurrence and \$10,000,000 aggregate including coverage for third party claims for bodily injury and property damage, including illness, disease, destruction of tangible property, loss of use, cleanup costs and defense expenses incurred in the investigation, adjustment, settlement and defense of claims for Grantee operations related to Franchise Agreement.

E. Additional Requirements.

(1) Additional Insured. All policies, with the exception of Workers Compensation, shall be endorsed, as required by this written agreement, to include Pinal County, its boards, agents, representatives, officers, directors, officials, and employees as additional insureds with respect to liability arising out of the operations or activities performed by Grantee related to the Franchise Agreement.

(2) Subrogation Waiver. All policies shall contain a waiver of transfer of rights of recovery (subrogation) against the County, its boards, agents, representatives, officers, directors, officials, and employees for any claims arising operations or activities performed by Grantee related to the Franchise Agreement.

(3) Primary and Non-Contributory. All liability policies shall be endorsed to be primary and non contributory to any insurance or self-insurance carried by the County, its boards, agents, officials, directors, or officials.

Section 27: ATTORNEYS' FEES

In the event that any suit or action is instituted to enforce any provision in this agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

Section 28: IMPLIED LAW

Each provision of law and any terms required by law to be in this agreement shall be deemed to be an integrated part of this agreement as if fully stated herein.

Section 29: ARBITRATION

It is understood and agreed that no provision of any resulting agreement shall require arbitration upon the County except by the County's express written consent given subsequent to the execution of the agreement. However, if both parties agree, disputes may be resolved through arbitration. The dispute shall be resolved as provided for in A.R.S. § 12-1501, et seq. Licensee shall continue to perform all obligations under this agreement without interruption, notwithstanding the provisions of this section.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and caused its official seal to be affixed on this _____ day of January, 2023.

PINAL COUNTY BOARD OF SUPERVISORS

Jeff Serdy, Chairman

ATTEST:

APPROVED AS TO FORM:
KENT VOLKMER
PINAL COUNTY ATTORNEY

Natasha Kennedy, Clerk of the Board

Thaddeus Garlick, Deputy County Attorney

EXHIBIT "A"

EXHIBIT A



TOWNSHIP 6 SOUTH, RANGE 8 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

All of Sections 25 through 27, and 34 through 36

TOWNSHIP 6 SOUTH, RANGE 9 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

The W ½ of Section 29, all of sections 30 and 31, and the W ½ of 32

TOWNSHIP 7 SOUTH, RANGE 8 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

All of Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36

TOWNSHIP 7 SOUTH, RANGE 9 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

Sections 4 through 9, 15 through 22, all of sections 27 through 34.

TOWNSHIP 8 SOUTH, RANGE 8 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

Sections 1 through 3, 10 through 15, NE¼ of 22, and all of 23 through 25.

TOWNSHIP 8 SOUTH, RANGE 9 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

Sections 4 through 9, 16 through 20, W ½ of 21, all of Sections 28 through 30, NE¼ of 31, all of sections 32 and 33, and the S ½ of 34.

TOWNSHIP 9 SOUTH, RANGE 9 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

Sections 1 through 4, NE¼ of 5, and all of section 10

TOWNSHIP 9 SOUTH, RANGE 10 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

Sections 1 through 6, and sections 8 through 17.

Approximately 63,629 acres.

TOWNSHIP 10 SOUTH, RANGE 10 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

The SW ¼ of Section 4, Township 10 South, Range 10 East

The SE ¼ of Section 5, Township 10 South, Range 10 East

All of Section 8, Township 10 South, Range 10 East except the South ½ of the SW ¼

All of Section 9, Township 10 South, Range 10 East

The West ½ of the SW ¼ of Section 10, Township 10 South, Range 10 East

TOWNSHIP 4 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

THAT PORTION OF THE SOUTH HALF OF SECTION 14, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH OF THE UNION PACIFIC RAILROAD (FORMERLY THE SOUTHERN PACIFIC RAILROAD).

PARCEL 2

SECTION 15 THROUGH 23, INCLUSIVE, AND SECTION 26 THROUGH 35, INCLUSIVE, TOWNSHIP 4 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 5 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY ARIZONA

PARCEL 1

SECTION 02 THROUGH 11, INCLUSIVE AND SECTION 13 THROUGH 36, INCLUSIVE, TOWNSHIP 5 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 6 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

SECTION 1 THROUGH SECTION 36, INCLUSIVE, TOWNSHIP 6 SOUTH RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 7 SOUTH, RANGE 2 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

THE NORTH HALF OF THE NORTH HALF OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

THE NORTH HALF OF THE NORTH HALF OF SECTION 2, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE NORTH HALF OF THE NORTH HALF OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE NORTH HALF OF THE NORTH HALF OF SECTION 4, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 5

THE NORTH HALF OF THE NORTH HALF OF SECTION 5, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 6

THE NORTH HALF OF THE NORTH HALF OF SECTION 6, TOWNSHIP 7 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 4 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 16, TOWNSHIP 4 SOUTH RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

THE EAST HALF OF SECTION 34, TOWNSHIP 4 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 4 SOUTH, RANGE 3 EAST, LYING NORTH OF THE UNION PACIFIC RAILROAD (FORMERLY THE SOUTHERN PACIFIC RAILROAD).

TOWNSHIP 5 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 16 THROUGH SECTION 21, INCLUSIVE, AND SECTION 28 THROUGH SECTION 36, INCLUSIVE, TOWNSHIP 5 SOUTH RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

THE SOUTH HALF OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE SOUTH HALF OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE SOUTH HALF OF SECTION 27, TOWNSHIP 5 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 6 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

SECTION 1 THROUGH SECTION 36, INCLUSIVE, TOWNSHIP 6 SOUTH RANGE 3 EAST, OF THE GILA AND SALT RIVER BASIN MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 7 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 1 THROUGH SECTION 4, INCLUSIVE, AND SECTION 9 THROUGH SECTION 16, INCLUSIVE, AND SECTION 21 THROUGH SECTION 24, INCLUSIVE, TOWNSHIP 7 SOUTH RANGE 3 EAST, OF THE GILA SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 2

THE NORTH HALF OF THE NORTH HALF OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 3

THE NORTH HALF OF THE NORTH HALF OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 4

THE NORTH HALF OF THE NORTH HALF OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 5

THE NORTH HALF OF THE NORTH HALF OF SECTION 28, TOWNSHIP 7 SOUTH, RANGE 3 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

TOWNSHIP 4 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY ARIZONA

PARCEL 1

SECTION 17, 18 AND 19, TOWNSHIP 4 SOUTH RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

THE NORTH HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE NORTH HALF OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE NORTH HALF OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 5 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 11 THROUGH SECTION 14, INCLUSIVE, SECTION 23, SECTION 26 AND 27, AND SECTION 31 THROUGH SECTION 36, INCLUSIVE, TOWNSHIP 5 SOUTH RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 2

THE EAST HALF OF SECTION 15, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE EAST HALF OF SECTION 22, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA LINE SOUTH OF THE UNION PACIFIC RAILROAD (FORMERLY SOUTHERN PACIFIC RAILROAD).

PARCEL 5

THE WEST HALF OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 6

SECTION 28, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, EXCEPT ANY PORTION THEREOF LINE WITH THE AK CHIN INDIAN RESERVATION.

PARCEL 7

SECTION 29, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, EXCEPT ANY PORTION THEREOF LINE WITH THE AK CHIN INDIAN RESERVATION.

PARCEL 8

SECTION 30, TOWNSHIP 5 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 6 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

THE WEST HALF OF SECTION 1, TOWNSHIP 6 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

SECTION 2 THROUGH 11, INCLUSIVE, AND SECTION 14 THROUGH SECTION 22, INCLUSIVE, AND SECTION 27 THROUGH SECTION 36, INCLUSIVE, TOWNSHIP 6 SOUTH RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 6 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE SOUTH HALF OF SECTION 25, TOWNSHIP 6 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 5

THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 6 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 7

THE SOUTH HALF OF SECTION 26, TOWNSHIP 6 SOUTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 7 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 1 THROUGH SECTION 24, INCLUSIVE, TOWNSHIP 7 SOUTH RANGE FOUR EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

THE NORTH HALF OF THE NORTH HALF OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE NORTH HALF OF THE NORTH HALF OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 4

THE NORTH HALF OF THE NORTH HALF OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE FOUR EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 5

THE NORTH HALF OF THE NORTH HALF OF SECTION 28, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 6

THE NORTH HALF OF THE NORTH HALF OF SECTION 29, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

PARCEL 7

THE NORTH HALF OF THE NORTH HALF OF SECTION 30, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA.

TOWNSHIP 5 SOUTH, RANGE 5 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

NORTH HALF OF SECTION 17, TOWNSHIP 5 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

SECTION 18, TOWNSHIP 5 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 3

THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF LOT 4 OF SECTION 31, TOWNSHIP 5 SOUTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, GENERALLY KNOWN AS THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 31.

PARCEL 5

THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 5 SOUTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 6 SOUTH, RANGE 5 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 6 SOUTH RANGE 5 EAST, OF THIS GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 2

SECTION 8, TOWNSHIP 6 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY ARIZONA, EXCEPT THAT PORTION GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 8;

THENCE EAST 185.00 FEET ALONG THE NORTH LINE OF SECTION 8 TO THE POINT OF BEGINNING;

THENCE SOUTH 54 DEGREES EAST, 3317.47 FEET;

THENCE SOUTH 78 DEGREES EAST, 2617.87 FEET TO A POINT OF ON THE EAST LINE OF SECTION 8;

THENCE NORTH 2353.71 FEET ALONG THE EAST LINE OF SECTION 8;

THENCE WEST TO THE POINT OF BEGINNING.

PARCEL 3

THE NORTH HALF AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 6 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 4

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 6 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 5

SECTION 20, TOWNSHIP 6 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 6

THE SOUTH HALF OF SECTION 30, TOWNSHIP 6 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL 7

SECTION 31, TOWNSHIP 6 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

TOWNSHIP 7 SOUTH, RANGE 5 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

PARCEL 1

SECTION 6, 7, 18 AND 19, TOWNSHIP 7 SOUTH RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

CONTAINING APPROXIMATELY 166,000 ACRES, MORE OR LESS. THIS AREA IS NOT BASED ON A FIELD SURVEY, BUT BASED ON DATA FURNISHED BY THE CLIENT.

EXHIBIT "B"

ACCEPTANCE OF FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Global Water, Palo Verde Utilities Company, Inc., an Arizona Corporation, does hereby accept the non-exclusive grant of a new public sewer franchise from Pinal County, Arizona, (hereinafter "Franchise"), to construct, operate, and maintain sewer utility lines and related fixtures along, under, and across present and future public streets, roads, easements, alleys, other public rights of way and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as stated in its application for a new public sewer franchise.

Grantee unconditionally accepts the Franchise granted by the Franchise Agreement and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms, and conditions of the Franchise Agreement. Grantee accepts such provisions, terms, and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of Pinal County to impose the same.

Grantee declares that the statements and recitals in the Franchise Agreement are correct, and Grantee declares it has made and does make the agreement, statements, and admissions in the Franchise Agreement recited to have been or to be made by Grantee.

Dated this _____ day of _____, 2023.

GLOBAL WATER - PALO VERDE UTILITES COMPANY, INC., an Arizona corporation

By: _____

Title: _____

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing instrument was acknowledged before me this ___ day of _____, 2023 _____ of Global Water - Palo Verde Utilities Company, Inc., an Arizona Corporation, and being authorized to do so, executed the foregoing instrument on behalf of the company for the purposes therein stated.

Notary Public

My Commission Expires: _____