

SETTLEMENT AND RELEASE AGREEMENT

THIS SETTLEMENT AND RELEASE AGREEMENT (“Agreement”) is entered into as of the Effective Date by and between RIVERVIEW, LLP, a Minnesota limited liability partnership (“Riverview”) and the STATE OF ARIZONA ex rel. ATTORNEY GENERAL KRISTIN MAYES (the “State” or the “Attorney General”). Riverview and the Attorney General may be referred to collectively as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, the Attorney General has the authority to abate public nuisances pursuant to A.R.S. § 13-2917;

WHEREAS, the Attorney General has expressed concern that groundwater pumping within the Willcox and Douglas Groundwater Basins of the Sulphur Springs Valley in Cochise County, Arizona (the “Sulphur Springs Valley” or “Valley”) constitutes a public nuisance;

WHEREAS, agriculture is a cornerstone of the Valley’s economy and heritage;

WHEREAS, groundwater levels in the Valley continue to decline;

WHEREAS, Riverview cultivates crops, raises dairy heifers and cows, and operates dairies in the Valley that supply milk to an Arizona-based dairy cooperative;

WHEREAS, Riverview acquired irrigated farmland in the Valley and invested in upgrading irrigation equipment on its farmland to improve efficiency and promote long-term sustainability;

WHEREAS, the Attorney General believes that Riverview’s actions constitute a public nuisance;

WHEREAS, Riverview believes that its actions do not constitute a public nuisance, and that its use of groundwater in the Valley is protected under the doctrine of reasonable use and therefore cannot be deemed a nuisance;

WHEREAS, Riverview nonetheless acknowledges the Attorney General’s concerns regarding declining groundwater levels and associated land subsidence, and recognizes the challenges faced by residents whose domestic wells no longer reach the aquifer;

WHEREAS, Riverview and the Attorney General agree that the establishment of two funds to ensure continued access to potable water for Domestic Purposes and School Purposes would benefit the Valley community, with (i) a fund administered by Riverview to support access to potable water for Domestic Purposes within a one-point-six-mile (1.6-mile) radius of any Riverview Irrigation Well, and (ii) a fund administered by a Third-Party Charitable Administrator to support access to potable water for Domestic Purposes and School Purposes primarily outside a one-point-six-mile (1.6-mile) radius of any Riverview Irrigation Well;

NOW, THEREFORE, the Attorney General and Riverview hereby enter into this Agreement under the terms and conditions set forth below:

I. DEFINITIONS

- 1.1 “**Active Management Area**” or “**AMA**” means a geographical area in the State of Arizona designated by ADWR pursuant to Title 45, Chapter 2, Article 2 of the Arizona Revised Statutes.
- 1.2 “**Agricultural Water Use**” means the same as “irrigate” under A.R.S. § 45-402(18), which is defined as the water applied to two or more acres of land to produce plants, or parts of plants, for sale for human consumption or use as feed for livestock, range livestock, or poultry.
- 1.3 “**Attorney General’s Designated Representative**” or “**AGDR**” means any individual designated in writing by the Attorney General to serve as the primary contact for purposes of this Agreement.
- 1.4 “**Arizona Department of Water Resources**” or “**ADWR**” means the Arizona Department of Water Resources, the state agency established under Title 45 of the Arizona Revised Statutes responsible for administering Arizona’s water laws, including groundwater management, surface water rights, dam safety, flood-warning programs, and the designation and regulation of Active Management Areas and Irrigation Non-Expansion Areas.
- 1.5 “**Community Water System**” or “**CWS**” means a public water system, as defined in A.R.S. § 49-352(B), that serves at least fifteen service connections used by year-round residents of the area served by the system or that regularly serves at least twenty-five year-round residents of the area served by the system. A person is a year-round resident of the area served by a system if the person’s primary residence is served water by that system.
- 1.6 “**Domestic Purpose(s)**” means water uses related to household supply, service, and associated domestic activities, and includes the application of water to less than two acres of land to produce plants for sale or for human consumption, or to produce feed for livestock, range livestock, or poultry, as such terms are defined in A.R.S. § 3-1201.
- 1.7 “**Douglas Active Management Area**” means the AMA established by the Arizona Department of Water Resources pursuant to A.R.S. § 45-411.04, encompassing portions of Cochise County, Arizona.
- 1.8 “**Douglas Groundwater Basin**” means the groundwater basin located in southeastern Arizona, and designated as Basin No. 15-01 by ADWR.
- 1.9 “**Dwelling**” means any structure used as a home, residence, or sleeping place by (i) a single person who maintains a household or (ii) two or more persons who maintain a common household. The term includes, without limitation, any manufactured home, modular home, or mobile home that is affixed to real property owned by the occupant and used as the occupant’s residence, regardless of whether the manufactured home, modular home, or mobile home is owned, rented, or leased.
- 1.10 “**Effective Date**” means the date on which the last Party signs this Agreement.

- 1.11 “**Exempt Well**” means a well having a pump with a maximum capacity of not more than thirty-five gallons per minute which is used to withdraw groundwater pursuant to A.R.S. § 45-454.
- 1.12 “**Irrigated Agriculture**” means the application of water to two or more acres of land for the purpose of cultivating crops for commercial sale, human consumption, or livestock feed as defined in “Agricultural Water Use.”
- 1.13 “**Non-Exempt Well**” means a well that is not an Exempt Well.
- 1.14 “**Ordinary Farming Practices**” means standard row-crop, livestock production activities, and dairy operations, that are recognized in the First Management Plan for the Douglas and Willcox Active Management Areas and that do not use more groundwater than the consumptive use amounts established for such activities therein.
- 1.15 “**Qualified Vendor**” means a well driller, water supplier, or water specialist identified on **Exhibit A**, which is hereby incorporated into this Agreement by reference. Exhibit A may be amended from time to time by Riverview, in its reasonable discretion, and after notifying the Third-Party Charitable Administrator, to add or remove Qualified Vendors, and any such amendment shall be deemed automatically incorporated into this Agreement.
- 1.16 “**Qualifying Applicant**” means an applicant who meets the criteria set forth in Section 4.8.
- 1.17 “**Qualifying Costs**” means the costs and expenses associated with providing a domestic water supply to a Qualifying Applicant that meet the criteria set forth in Section 4.9.
- 1.18 “**Residential Applicant**” means a Qualifying Applicant that meets the criteria set forth in Section 4.8.1.
- 1.19 “**Riverview Irrigation Well**” means a well on land that is owned and operated by Riverview, has been equipped with an installed pump, has connection to a power source (i.e., natural gas or electric service), and is used for Irrigated Agriculture.
- 1.20 “**School**” means an educational institution that: (a) is legally established and recognized under applicable Arizona law as a public or charter elementary school, middle school, high school, or unified school district; (b) provides in-person instruction to enrolled students in one or more grade levels; (c) was physically operating at a fixed location within the Valley as of the Effective Date of this Agreement; and (d) maintains a physical campus that includes, at a minimum, one permanent classroom building equipped with standard plumbing and fixtures.
- 1.21 “**School Applicant**” means a Qualifying Applicant that meets the criteria set forth in Section 4.8.2.
- 1.22 “**School Purposes**” means water uses related to school activities.

- 1.23 **“Tank System”** means a storage tank and other infrastructure reasonably necessary for a Qualifying Applicant to obtain or receive potable water for Domestic Purposes from a water hauling service.
- 1.24 **“Third-Party Charitable Administrator”** means an Arizona nonprofit corporation that manages charitable funds and provides grantmaking, philanthropic, and community investment services throughout the State of Arizona, and with whom Riverview enters into an agreement to administer the SSWF in accordance with the SSWF Funding Agreement attached hereto as Exhibit B.
- 1.25 **“Willcox Active Management Area”** means the AMA established by ADWR pursuant to A.R.S. § 45-411.03, encompassing portions of Cochise and Graham Counties, Arizona.
- 1.26 **“Willcox Groundwater Basin”** means the groundwater basin located in southeastern Arizona and designated as Basin No. 15-02 by ADWR.

II. WATER CONSERVATION PRACTICES

- 2.1 Riverview’s Agricultural Operations. Riverview’s operations in the Valley encompass various agricultural activities (collectively referred to herein as “Riverview’s Agricultural Operations”), including but not limited to:
- Cultivation of crops and forages;
 - Planting of cover and rotational crops to enhance soil health and support nutrient cycling;
 - Activities that support crop production and irrigation; and
 - Activities related to the ownership, care, and management of livestock and the production, storage, and transportation of milk, including associated infrastructure, milking, feeding, manure handling, and related agricultural practices.
- 2.2 Best Management Practices. Riverview shall continue, throughout the Term of this Agreement, to implement the following best management practices (“BMPs”) across all of its irrigated agricultural operations within the Valley:
- 2.2.1. Center Pivot Irrigation Systems (“Pivots”). Pivots are mechanized irrigation technologies that apply water in a circular pattern using a central pivot connected to a long pipeline mounted on motorized towers.
- 2.2.2. Drop Hoses. Drop hoses, also referred to as “drop nozzles,” are flexible conduits that extend downward from the overhead pipeline of a Pivot, positioning sprinkler nozzles much closer to the ground or crop canopy so that water is applied closer to the soil surface.

- 2.2.3. Low Energy Precision Application (“LEPA”). LEPA systems apply groundwater to the base of crops through low-pressure emitters mounted on drop hoses just inches above the ground, which maximizes the amount of water delivered to its intended target with minimal loss.
 - 2.2.4. Variable Frequency Drives (“VFDs”) on Pumps. VFDs adjust pump speed and output based on real-time field conditions, enabling precisely tailored water application to reduce groundwater use.
 - 2.2.5. Pivot Control and Automation. Advanced control systems (e.g., software and technology) control irrigation infrastructure, allowing for real-time, data-driven management of when, where, and how much water is applied. These systems also allow for remote Pivot management and dynamic demand control to provide precise water flows, reducing water losses.
 - 2.2.6. Superior Practices. Riverview may implement irrigation or water-management practices that are equal or superior to the listed BMPs in terms of water efficiency, conservation, or agronomic results (“Superior Practices”). Use of a Superior Practice shall be deemed compliant with this Article II, provided it is suitable for the site and crop, does not materially increase off-site impacts, and is operated consistent with accepted agronomic standards.
- 2.3 Acreage Reduction. Riverview shall remove irrigated farmland from row-crop production over the next fifteen years. This acreage shall be transitioned to a different land use, such as grazing, and/or maintained as fallowed cropland.
- 2.3.1. Acreage Reduction Commitment. Riverview shall remove a total of 2,000 acres of irrigated farmland from row-crop production during the Term (the “Acreage Reduction Commitment”). The affected acreage (the “Fallowed Acreage”) shall be (a) transitioned to a different land use, such as grazing, habitat, or other non-row-crop agricultural uses; and/or (b) maintained as fallowed cropland. The Fallowed Acreage shall, from the applicable phasing date established under Section 2.3.2, remain out of row-crop production until the 15th anniversary of the Effective Date of the Agreement.
 - 2.3.2. Phasing. Riverview shall implement the Acreage Reduction Commitment in phases as follows:
 - 2.3.2.1. Phase I: at least 650 acres designated as Fallowed Acreage on or before the fourth (4th) anniversary of the Effective Date;
 - 2.3.2.2. Phase II: an additional 650 acres designated as Fallowed Acreage on or before the eighth (8th) anniversary of the Effective Date; and
 - 2.3.2.3. Phase III: an additional 700 acres designated as Fallowed Acreage on or before the twelfth (12th) anniversary of the Effective Date; for an aggregate total of 2,000 acres.

- 2.3.3. Monitoring and Reporting. Within sixty (60) days after each Phase deadline, and annually thereafter during the Term, Riverview shall provide a report identifying the Fallowed Acreage, permitted uses in effect (if any), and a statement of compliance with Section 2.3.2.
- 2.3.4. Restriction on Transfer of Fallowed Acreage. Riverview shall use its best efforts to retain ownership and control of all Fallowed Acreage during the Term of this Agreement. If Riverview sells, leases, conveys, or otherwise transfers ownership or operational control of any portion of the Fallowed Acreage during the Term, Riverview shall (a) ensure that the transferee assumes, in writing, Riverview's obligations under this Agreement with respect to such acreage; or (b) designate and fallow an equivalent number of substitute acres, consistent with Section 2.3, for the remainder of the Term. Any substitute acreage shall be subject to all restrictions, reporting, and verification requirements applicable to the original Fallowed Acreage.

III. SULPHUR SPRINGS WATER FUND

- 3.1. Establishment of Sulphur Springs Water Fund; Purpose; Permitted Activities. Riverview shall establish the Sulphur Springs Water Fund (“SSWF”) as a donor-restricted charitable fund to be held and administered by a Third-Party Charitable Administrator. The SSWF is intended solely to charitably support access to potable water for Domestic Purposes and School Purposes by eligible water users primarily located outside a ONE AND SIX-TENTHS (1.6) mile radius of any Riverview Irrigation Well within the Valley, all in accordance with this Agreement and the SSWF Funding Agreement, attached as **Exhibit B** and incorporated herein by this reference (together, the “Restricted Purpose”). The SSWF Funding Agreement sets forth the governing framework for the SSWF, including the criteria for eligible beneficiaries, the categories of permissible expenditures, administrative procedures, and the roles and responsibilities of the Third-Party Charitable Administrator.
- 3.2. Contributions to SSWF. Riverview shall contribute FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000) to the SSWF as follows:
- 3.2.1. THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) on or before December 31, 2025; and
- 3.2.2. TWO MILLION DOLLARS (\$2,000,000) on or before December 31, 2026.
- 3.3. Deposits to Third-Party Charitable Administrator. Riverview shall deposit contributions to the SSWF directly with the Third-Party Charitable Administrator for use pursuant to the charitable Restricted Purpose of the SSWF.
- 3.4. Charitable Purpose. The SSWF shall be maintained by a Third-Party Charitable Administrator as a restricted charitable fund, and all SSWF monies (including principal, interest, and earnings) shall be irrevocably dedicated to the charitable Restricted Purpose as described in this Agreement and in the SSWF Funding Agreement.

- 3.5. Administration by Third-Party Charitable Administrator. The Third-Party Charitable Administrator shall have responsibility for administering the SSWF as a donor-restricted charitable fund and may commit, reserve, disburse, reallocate, or hold SSWF monies only in accordance with this Agreement and the SSWF Funding Agreement. The Third-Party Charitable Administrator may recover from the SSWF its reasonable administrative, programmatic, auditing, legal, and other costs incurred to administer the SSWF. Any interest, dividends, or other earnings on SSWF monies shall be retained in, and available for use as part of, the SSWF and shall not inure to the benefit of the Third-Party Charitable Administrator for its general purposes.
- 3.5.1. No State Control. Neither the State of Arizona nor the Attorney General shall have any ownership, possessory, or equitable interest in the SSWF, and shall have no approval, veto, or decision-making authority over SSWF policies, uses, awards, or expenditures. Any reporting or consultation obligations established in this Agreement or the SSWF Funding Agreement are informational only and do not confer control over SSWF monies.
- 3.5.2. No Riverview Approval Right. Other than making the contributions required by Section 3.2, Riverview shall have no approval, veto, or control over SSWF uses, policies, awards, or expenditures. Decisions regarding the use of SSWF monies shall lie solely with the Third-Party Charitable Administrator (and, as applicable, the Review Panel) pursuant to this Agreement and the SSWF Funding Agreement.
- 3.6. No Liability for SSWF; No Default Based on Third-Party Charitable Administrator Conduct. Riverview shall have no responsibility or liability for any actions or omissions of the Third-Party Charitable Administrator, the Review Panel, or the State in connection with the SSWF. For the avoidance of doubt, Riverview's sole obligation under this Agreement with respect to the SSWF is to establish and fund the SSWF as set forth herein, and to reasonably cooperate in providing any information expressly required from Riverview by this Agreement or the SSWF Funding Agreement. No act or omission of the Third-Party Charitable Administrator, the Review Panel, or the State, including, without limitation, any decision on eligibility or awards, any delay or failure in processing or funding applications, any alleged misadministration or misapplication of SSWF monies, or any failure to comply with this Agreement or the SSWF Funding Agreement, shall constitute, or be deemed to constitute, a breach or default by Riverview under this Agreement, nor shall any such act or omission give rise to any claim or remedy against Riverview. Riverview shall not be required to cure, correct, or otherwise answer for any such act or omission by the Third-Party Charitable Administrator, the Review Panel, or the State. The Attorney General shall hold Riverview harmless for all losses, damages, liabilities, claims, costs, and expenses arising out of or relating to the administration, management, or operation of the SSWF by the Third-Party Charitable Administrator, the Review Panel, or the State, except to the extent caused by Riverview's failure to make the contributions required by Section 3.2.
- 3.7. Information Sharing with Third-Party Charitable Administrator. Riverview shall provide information reasonably requested by the Third-Party Charitable Administrator to facilitate the efficient administration of the SSWF by the Third-Party Charitable Administrator.

Without limiting the foregoing, Riverview shall provide up-to-date maps of sufficient detail and quality for the Third-Party Charitable Administrator to determine the location of all Riverview Irrigation Wells and the distance of applicants from such Riverview Irrigation Wells.

- 3.8. No Cross-Application of Other Terms. Notwithstanding anything to the contrary in this Agreement, no other term, condition, eligibility requirement, suspension, resumption, or acceleration provision applicable to any other fund or program (including the Riverview Funding Commitment and any “Qualifying Applicant” concept set forth in Article IV) shall apply to the SSWF unless expressly stated in this Article III or in the SSWF Funding Agreement. The SSWF is a stand-alone restricted charitable fund subject solely to the Restricted Purpose set out in this Agreement and the SSWF Funding Agreement.
- 3.9. Successor if Third-Party Charitable Administrator Ceases to Administer SSWF; No Impact on Riverview or this Agreement. If, at any time during the Term of this Agreement, the Third-Party Charitable Administrator ceases to exist, becomes unable or unwilling to continue administering the SSWF, or otherwise terminates its role as administrator of the SSWF, then, upon such an occurrence, all remaining SSWF monies (including principal and any accrued but undistributed earnings) shall be transferred to another non-profit with a similar purpose and administered in accordance with the charitable Restricted Purpose set forth in this Agreement and the SSWF Funding Agreement. All applicable fees and expenses incurred by the Third-Party Charitable Administrator shall continue to be chargeable and payable from the SSWF until the transfer is complete.

In no event shall any such transfer or successor administration: (a) require Riverview to make any payment, contribution, or reimbursement beyond those expressly required by Section 3.2; (b) alter, limit, expand, or otherwise modify any release, covenant, or obligation of Riverview under this Agreement; (c) constitute, or be deemed to constitute, a breach or default by Riverview; or (d) revive, create, or expand any claim, cause of action, or remedy against Riverview that is released or resolved by this Agreement. For the avoidance of doubt, the cessation of the Third-Party Charitable Administrator’s administration of the SSWF and any resulting transfer of SSWF monies to a successor administrator shall have no effect on the validity, enforceability, or finality of this Agreement or the releases granted herein.

IV. RIVERVIEW FUNDING COMMITMENT

- 4.1. Riverview Funding Commitment. Riverview shall establish and fund the Riverview Funding Commitment (“RFC”) for the express purpose of providing charitable financial assistance to Qualifying Applicants in the Valley. The RFC is intended to promote public health and welfare by supporting the construction and installation of replacement groundwater wells, tank systems, water fill stations, and water-hauling services for residential use, including through the funding and expansion of existing CWS’s.
- 4.2. Funding Amount. Riverview shall contribute FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000) to the RFC during the Term of this Agreement

(subject to the suspension of funds set out in Section 4.4). Riverview shall administer and expend RFC monies solely for the purposes set forth in this Agreement.

4.3. Funding Schedule. Riverview shall make RFC monies available in accordance with the following schedule:

4.3.1. TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000) within thirty (30) calendar days following the Effective Date; and

4.3.2. TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000) as of each of the first through nineteenth (1st–19th) anniversaries of the Effective Date (each an “Annual Commitment Date”).

4.4. Suspension of Funding Schedule.

4.4.1. Trigger for Suspension. Beginning on and after the third (3rd) anniversary of the Effective Date, Riverview may suspend further scheduled commitments under Section 4.3 (a “Suspension”) if, during any continuous twelve (12)-month period (an “Inactivity Period”) thereafter: (a) Riverview receives no complete applications for financial assistance from Qualifying Applicants, and (b) at least twenty-five percent (25%) of the aggregate commitment made by Riverview to the RFC to date remain Unallocated. For purposes of this Section 4.4.1, “Unallocated” means not awarded, committed, or reserved under a fully executed grant or award agreement. Riverview shall provide ten (10) days’ prior written notice to the Attorney General of any Suspension.

4.4.2. Effect of Suspension. During a Suspension, no scheduled commitments after the Suspension’s effective date shall be available or payable until funding resumes under Section 4.4.3. Any amounts already committed and payable before the Suspension’s effective date remain available. A Suspension does not (i) reduce or waive Riverview’s total funding commitment under Section 4.2, or (ii) reduce the number of annual commitments described in Section 4.3 (the “Commitment Schedule”).

4.4.3. Automatic Resumption. Commitments shall automatically resume no later than thirty (30) calendar days after the RFC’s receipt of a complete application from a Qualifying Applicant that satisfies the applicable eligibility requirements (a “Qualifying Application”). Upon resumption, the next commitment becomes available on the resumption date, and subsequent commitments shall continue on the same annual cadence as set forth in Section 4.3.

4.4.4. Make-Up of Deferred Commitments; Funding-Only Extension. Any commitment(s) that were deferred during a Suspension shall be made up on the same annual schedule as Section 4.3 by adding additional Annual Commitment Dates after the nineteenth (19th) anniversary of the Effective Date, successively, until the total amount required by Section 4.2 has been made available in full (the “Funding-Only Extension”). The Funding-Only Extension applies solely to

Riverview's funding obligations under Article IV and does not extend, toll, modify, or reopen any other term, covenant, deadline, or obligation of this Agreement.

- 4.4.5. Multiple Suspensions. If the conditions in Section 4.4.1 recur, additional Suspensions may be implemented following the same notice and resumption rules. Any additional deferred commitment shall be handled in accordance with Section 4.4.4, and the Funding-Only Extension shall lengthen correspondingly, but only for the funding obligations in Article IV.
- 4.4.6. Acceleration. If, at any time, there are outstanding requests for funding that exceed the amounts then contributed to the RFC by Riverview, Riverview shall accelerate its next scheduled commitment from TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000) to THREE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$365,000) to address such pending requests. In addition, Riverview, at its option and in its sole and absolute discretion, may further accelerate its commitments, including by making one or more additional commitments within a given year, if it determines that such acceleration is reasonable or necessary to meet the needs of Qualifying Applicants. Any accelerated commitment shall be credited toward Riverview's total funding obligation under this Agreement and shall not increase the total amount required to be committed.
- 4.5. Priority for Well Drilling Projects. The Parties agree that the primary and first-priority use of monies deposited in the RFC shall be the construction and installation of replacement groundwater wells, tank systems, and the improvement or development of a CWS, in each case for Domestic Purposes.
- 4.6. No Liability for RFC. The Attorney General shall have no responsibility or liability for any actions or omissions of Riverview in connection with the RFC. Riverview shall hold the Attorney General harmless for all losses, damages, liabilities, claims, costs, and expenses, arising out of or relating to the administration, management, or operation of the RFC.
- 4.7. Administration of RFC. Riverview shall be responsible for administering the RFC, at its expense, in accordance with the terms of this Article IV.
 - 4.7.1. Periodic Reporting to Attorney General's Designated Representative. Following the Effective Date, Riverview shall provide periodic written reports to the AGDR as follows:
 - 4.7.1.1. Quarterly Reporting (Years 0–2). Beginning after the first full calendar quarter following the Effective Date and continuing through the second (2nd) anniversary of the Effective Date, Riverview shall prepare and deliver written reports to the AGDR within thirty (30) calendar days after the end of each calendar quarter (ending March 31, June 30, September 30, and December 31).

4.7.1.2. Semi-Annual Reporting (Years 3–5). At any time on or after the third (3rd) anniversary of the Effective Date and before the fifth (5th) anniversary thereof, Riverview may submit a written request (a “Transition Request”) to the AGDR to transition the reporting cadence from quarterly to semi-annual. The AGDR shall not unreasonably withhold, condition, or delay approval of any Transition Request. The AGDR shall provide written notice approving or denying the Transition Request within thirty (30) calendar days after receipt. Upon written approval of a Transition Request, Riverview shall thereafter deliver written reports on a semi-annual basis, within thirty (30) calendar days after each June 30 and December 31.

Notwithstanding the foregoing, effective automatically as of the fifth (5th) anniversary of the Effective Date, without the need for any Transition Request or further approval, the reporting cadence shall convert permanently to semi-annual reporting. From and after such date, Riverview shall deliver written reports to the AGDR within thirty (30) calendar days after each June 30 and December 31.

4.7.2. Contents of Each Periodic Report. Each report required under Section 4.7.1 shall include:

4.7.2.1. Applicant Information. The name, address, and telephone number of each applicant who has requested financial assistance or funding during the reporting period.

4.7.2.2. Disposition of Requests. A summary of the disposition of each request, including (a) whether the request was approved or denied; (b) for approved requests, the amount funded, the purpose of the funding, and the anticipated time frame for completion of the improvement; and (c) for denied requests, a brief explanation of the reason for denial.

4.7.2.3. Statement. A current statement of RFC funds showing all commitments, disbursements, and the remaining balance of commitments as of the reporting date.

4.7.3. Notification of Rejected Applications. Riverview shall notify the AGDR within fourteen (14) calendar days if Riverview rejects an application for assistance from the RFC. An application is considered rejected only if: (1) Riverview determines, in its reasonable discretion, that the applicant is ineligible for assistance from the RFC; and (2) Riverview notifies the applicant that the applicant will not receive assistance from the RFC. An application is not considered rejected if Riverview refers the applicant to the SSWF because the applicant is more than ONE AND SIX-TENTHS (1.6) miles away from any Riverview Irrigation Well, or if Riverview tells the applicant that it needs more information to process the application.

In its notification to the AGDR, Riverview shall provide a brief explanation of the reason the application was rejected.

- 4.7.4. Notice and Cure of Reporting Deficiencies. If the AGDR believes that any information required to be reported pursuant to Section 4.7.2 or 4.7.3 is missing, deficient, or incomplete, the AGDR shall (within thirty (30) days of receiving such report) provide written notice identifying the missing, deficient, or incomplete information to Riverview. Riverview shall have thirty (30) days from receipt of such notice to cure. If Riverview timely cures, the matter is resolved, if not, the Attorney General may initiate the dispute resolution process under Section 4.7.6.
 - 4.7.5. Meeting with the AGDR. Riverview or the AGDR may request a meeting to discuss the status of the RFC, any requests for funding, or other matters related to its administration. The Parties shall meet at a mutually agreeable time to address the issues for which the meeting was requested.
 - 4.7.6. Dispute Resolution. If the AGDR believes that Riverview has failed to comply with the terms of this Agreement in administering the RFC, the Parties shall first meet and confer in good faith to resolve the matter informally. If the dispute remains unresolved, the Parties shall submit the matter to an impartial neutral mutually agreed upon by both Parties. Each Party shall simultaneously submit an initial brief, not to exceed fifteen (15) pages, together with any supporting exhibits or declarations. Each Party may then submit a responsive brief, not to exceed ten (10) pages, with any additional exhibits or declarations. The neutral shall conduct a hearing and issue a written decision, which shall be final and binding on the Parties.
- 4.8. Qualifying Applicants. Applicants eligible to apply for funding from the RFC must fall into one of the following categories and satisfy all criteria applicable to their category as set forth below. The determination of whether an applicant qualifies shall be made by Riverview. Any determinations that an applicant does not qualify as a Qualifying Applicant may be reviewed by the AGDR. The qualifications below should be interpreted broadly to help those whose lives and livelihoods have been negatively impacted by declining aquifers.

For purposes of measuring distances to determine whether the requirements for proximity to a Riverview Irrigation Well have been satisfied, all distances shall be measured as a straight-line horizontal distance (i.e., “as-the-crow-flies”).

- 4.8.1. Residential Applicants. To be considered a Qualifying Applicant under this subsection, a Residential Applicant must satisfy each of the following requirements:
 - 4.8.1.1. Eligibility Requirement. As of the Effective Date of this Agreement, the applicant must be the legal owner of record of a tax parcel located within the Valley on which a permanent residential Dwelling is located.

A Dwelling must have at least one functional kitchen and bathroom and be livable year-round.

- 4.8.1.2. Residency Requirement. The applicant, or a lawful tenant of the applicant, must occupy a Dwelling located on the applicable tax parcel as their principal place of residence. Such principal residency must have commenced prior to the Effective Date of this Agreement.
- 4.8.1.3. Proximity to Riverview Irrigation Well Requirement. The exterior wall of the applicant's applicable Dwelling must be located within a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well.
- 4.8.1.4. Domestic Water Supply Requirement. The applicable Dwelling must receive its domestic water supply from an Exempt Well that is physically located on the same tax parcel as the Dwelling.
- 4.8.1.5. Water Supply Failure. Riverview will confirm that the Exempt Well serving the applicable Dwelling does not provide sufficient water for the applicant's uses as a result of groundwater level declines. Alternatively, the applicant may submit the professional opinion of a qualified geologist, hydrogeologist, hydrologist, or similarly qualified professional that groundwater level declines have caused or will cause the well to fail within the next twelve (12) months. In such circumstances, the well may be replaced within that twelve-month period; provided, however, that wells that have already failed shall receive priority funding over wells projected to fail within the next twelve (12) months. For the purposes of this section, "sufficient water" means that the applicant has enough water of adequate quality to meet the domestic needs of the Dwelling.
- 4.8.1.6. Residential Applicants Served by a Community Water System. No Residential Applicant shall qualify as a Qualifying Applicant if the applicant's Dwelling is located within the service boundaries of a CWS.
- 4.8.2. School Applicants. To be considered a Qualifying Applicant under this subsection, a School Applicant must satisfy each of the following requirements:
 - 4.8.2.1. Eligibility Requirement. As of the Effective Date of this Agreement, the applicant must operate a School located within the Valley.
 - 4.8.2.2. Ownership or Site Control Requirement. The applicant must either: (a) be the legal owner of record of the tax parcel on which the School is located; or (b) hold a valid and enforceable right to occupy and construct improvements on such parcel.
 - 4.8.2.3. Proximity to Riverview Irrigation Well Requirement. The exterior wall of any of the School's physical campus buildings must be within a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well.

Notwithstanding the general proximity requirement described above, the following Schools (“Specifically Designated Schools”) meet this requirement and shall be considered Qualifying Applicants under this Agreement, provided they satisfy all other applicable criteria:

- Ash Creek Elementary School District 53, 6460 AZ-181, Pearce, AZ.
- Elfrida Elementary School, 4070 W. Jefferson Rd., Elfrida, AZ
- Valley Union High School, 4088 W. Jefferson Rd., Elfrida, AZ
- Cochise Elementary School, 5025 N. Bowie Ave, Cochise, AZ
- McNeal Elementary School District, 3979 McNeal St., McNeal, AZ

These Specifically Designated Schools will be eligible to receive up to fifty percent (50%) of their Qualifying Costs from the RFC, provided that the School (1) submits a complete application to Riverview for the applicable project and Qualifying Costs that otherwise satisfies all applicable eligibility criteria under this Agreement, and (2) submits a complete application to the Third-Party Charitable Administrator of the SSWF for the same project and Qualifying Costs that otherwise satisfies all applicable eligibility criteria under the SSWF Funding Agreement. Riverview may review and act on a Specifically Designated School’s application(s) in its sole discretion and may condition any approval of RFC assistance on the Third-Party Charitable Administrator’s approval of the applicable project and Qualifying Costs and confirmation of the corresponding cost share. Riverview shall have no obligation to disburse RFC funds unless and until it receives written confirmation from the Third-Party Charitable Administrator that SSWF funding has been approved and is available for the same project and Qualifying Costs (or the applicable portion thereof). Riverview may coordinate with the Third-Party Charitable Administrator, in its sole discretion, as necessary to carry out this Section.

- 4.8.2.4. Water Supply Failure. Riverview will confirm that the Exempt Well serving the applicable School does not provide sufficient water for the applicant’s uses as a result of groundwater level declines. Alternatively, the applicant may submit the professional opinion of a qualified geologist, hydrogeologist, hydrologist, or similarly qualified professional that groundwater level declines have caused or will cause the well to fail within the next twelve (12) months. In such circumstances, the well may be replaced within that twelve-month period; provided, however, that wells that have already failed shall receive priority funding over wells projected to fail within the next twelve (12) months. For the purposes of this section, “sufficient water” means that the applicant has enough water of adequate quality to meet the domestic needs of the School.

- 4.8.2.5. Exhaustion of Other Funding Sources. To be considered a Qualifying Applicant, School Applicants shall demonstrate to Riverview that they have made reasonable efforts to secure alternative funding for any Qualifying Costs. At a minimum, and unless Riverview determines in writing, in its sole discretion, that such an application would be futile or inapplicable based on the nature of the Qualifying Costs, the School Applicant must demonstrate to Riverview that it submitted a complete application to the Arizona Department of Administration, School Facilities Division (“SFD”) for funding for the proposed project and that the application was denied, in whole or in part. School Applicants shall provide Riverview with a copy of the submitted SFD application and all supporting materials, and proof of the denial, in whole or in part. In addition, each School Applicant shall disclose to Riverview any other applications or requests for funding or reimbursement that it has submitted (or intends to submit) to any other governmental, charitable, philanthropic, or grantmaking source relating to the same Qualifying Costs, and shall provide copies of such submissions. The School Applicant shall further promptly notify Riverview in writing of the disposition of each such application or request (including any approval, denial, award amount, conditions, or timelines) and shall provide copies of all award letters, denial letters, and related correspondence. Riverview may deny or limit RFC assistance to the extent necessary to avoid duplication of benefits or double recovery for the same costs, and may condition any approval of RFC assistance on the School Applicant’s compliance with this Section. The purpose of this Section is to require School Applicants to pursue and exhaust other reasonably available sources of funding before receiving RFC assistance, as determined in the sole discretion of Riverview.
- 4.8.2.6. School Applicants Served by a Community Water System. No School Applicant shall qualify as a Qualifying Applicant if the School is located within the service boundaries of a CWS.
- 4.8.3. Districts, Private Water Companies, and Municipal Applicants. To be considered a Qualifying Applicant under this subsection, an applicant must be either a Special District, Private Water Company, or a Municipality and must satisfy each of the applicable requirements set forth below.
- 4.8.3.1. Eligibility Requirement. The applicant must be: (a) a legally established and operational special taxing district or political subdivision of the State of Arizona (a “Special District”) that provides domestic water service to residents within the Valley; (b) an operational private water company with a service area established by the Arizona Corporation Commission (a “Private Water Company”); or (c) a legally established and operational municipality incorporated under Title 9 of the Arizona Revised Statutes (a “Municipality”) that provides domestic water service to residents within the Valley. In any case, the applicant must

have a defined service area that includes land within the Valley and must have been actively providing water service as of the Effective Date of this Agreement. However, Riverview may, in its reasonable discretion, make an exception to this requirement and provide funding to a CWS that is not yet in operation if Riverview determines that doing so would benefit a significant population whose water supply is at risk. For example, Riverview may elect to support the proposed expansion of the Town of Willcox's water system if such funding would enhance water security for affected residents.

- 4.8.3.2. Water Supply Requirement. The applicant must: (a) operate an Exempt or Non-Exempt Well that is physically located on a parcel owned or controlled by the applicant; and (b) use that Exempt or Non-Exempt Well as the primary and customary source of potable water for the residential customers located within its defined service area. Riverview may require supporting documentation, such as well registration records, water quality test results, distribution system maps, or service agreements, to verify compliance with this requirement.
- 4.8.3.3. Proximity to Riverview Irrigation Well Requirement. The applicant must have at least one domestic supply well located within a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well.
- 4.8.3.4. Water Supply Failure. Riverview will confirm, in its reasonable discretion, that the applicable Exempt or Non-Exempt Well serving the applicable Special District, Private Water Company, or Municipality does not provide sufficient water for the applicant's uses as a result of groundwater level declines. Alternatively, the applicant may submit the professional opinion of a qualified geologist, hydrogeologist, hydrologist, or similarly qualified professional that groundwater level declines have caused or will cause the well to fail within the next twelve (12) months. In such circumstances, the well may be replaced within that twelve-month period; provided, however, that wells that have already failed shall receive priority funding over wells projected to fail within the next twelve (12) months.
- 4.8.3.5. Exhaustion of Other Funding Sources. The applicant must demonstrate that it has either (a) taken reasonable efforts to secure alternative funding for its water infrastructure needs; or (b) been denied such funding. This includes, without limitation, funding opportunities from the Arizona Water Infrastructure Finance Authority ("WIFA"), the Arizona Department of Environmental Quality ("ADEQ"), and any other applicable state or federal infrastructure grant programs. Riverview shall determine, in its reasonable discretion, whether the applicant has satisfied this requirement.

4.9. Qualifying Costs. The following costs and expenses shall be eligible for funding from the RFC, subject to the terms of this Agreement:

4.9.1. Residential Applicants. For any Residential Applicant, the reasonable and necessary costs to construct either: (a) one Exempt Well in accordance with the design specifications set forth in **Exhibit C**, which is hereby incorporated into this Agreement by reference; or (b) one Tank System in accordance with design specifications approved by Riverview in its reasonable discretion, shall constitute Qualifying Costs. A Residential Applicant must demonstrate a financial inability to fund improvements by showing that the applicant's household income does not exceed four hundred fifty percent (450%) of the federal poverty level guidelines in effect on the date of their application.

4.9.2. Multi-Party Residential Applicants. For any group of two or more Residential Applicants seeking to jointly construct a shared water system, the reasonable and necessary costs to construct (a) one Exempt Well, or (b) one Tank System, in each case for Domestic Purposes and in accordance with design specifications approved by Riverview in its reasonable discretion, shall constitute Qualifying Costs. Such costs shall be eligible only if the shared water system does not serve fifteen (15) or more service connections or twenty-five (25) or more residents.

4.9.3. School Applicants. For any School Applicant, the reasonable and necessary costs to construct one Exempt or Non-Exempt Well in accordance with the design specifications approved by Riverview in its reasonable discretion, for the purpose of providing water service to a School shall constitute Qualifying Costs.

4.9.4. District, Private Water Company, and Municipal Applicants. For any District, Private Water Company, or Municipal Applicant, the reasonable and necessary costs to construct one Exempt or Non-Exempt Well, in accordance with design specifications approved by Riverview in its reasonable discretion, shall constitute Qualifying Costs, provided the well is used for Domestic Purposes.

4.9.5. Scope of Qualifying Costs.

4.9.5.1. Well Construction. For all applications involving the construction of an Exempt or Non-Exempt Well, Qualifying Costs include the reasonable and necessary costs of drilling and casing the well to a sufficient depth in accordance with the applicable design specifications. Qualifying Costs may also include other reasonable and necessary costs, at Riverview's reasonable discretion, including, without limitation, costs related to the acquisition or installation of well pumps, electrical wiring, plumbing, pressure tanks, water treatment or filtration systems, water quality testing, or any equipment, materials, or services required to comply with applicable regulatory requirements.

4.9.5.2. Tank Systems. For all applications involving the installation of a Tank System, Qualifying Costs shall be the reasonable and necessary costs

associated with the acquisition, delivery, setup, and installation of the Tank System, including any associated plumbing, valves, platforms, or appurtenances necessary for safe and functional operation, subject to the limitations set forth in Article IV. Qualifying Costs may also include other reasonable and necessary costs, at Riverview's reasonable discretion.

4.9.5.3. Other Costs. Reasonable and necessary costs incurred to support Qualifying Applicants in a manner consistent with the purpose of this Agreement, as determined by Riverview in its reasonable discretion, shall constitute Qualifying Costs. Such costs may include, without limitation, the acquisition, installation, operation, and maintenance of water fill stations and Tank Systems for Domestic Purposes; the provision, coordination, and administration of water-hauling services for Domestic Purposes; the expansion, improvement, or support of Community Water Systems serving the Valley; emergency or interim measures to provide residential water supply; and technical assistance, planning, engineering, accounting, legal, or program administration costs reasonably related to any of the foregoing. However, for the avoidance of doubt, Qualifying Costs shall not include Riverview's internal administrative, overhead, or personnel costs incurred in administering the RFC.

4.10. Payment of Qualifying Costs. All payments of RFC monies shall be made directly to Qualified Vendors and not to Qualifying Applicants, if possible, at Riverview's reasonable discretion.

4.11. Restriction on Multiple Applications. A Qualifying Applicant shall be eligible to receive support from the RFC only one time, for one Exempt Well, Tank System, or Non-Exempt Well. Notwithstanding the foregoing, Riverview may, in its reasonable discretion, provide additional support to a Qualifying Applicant if Riverview determines that additional support is warranted based on the circumstances.

4.12. Disclaimer of Warranties; Hold Harmless and Release; Limitation of Water Use. As a condition precedent to receiving any funding from the RFC, each Qualifying Applicant shall be required to execute an Acknowledgment and Release Agreement ("Release Agreement") that shall include, without limitation, the following terms:

4.12.1. Disclaimer of Warranties. Riverview and the Attorney General, and each of their respective officers, directors, employees, agents, contractors, representatives, affiliates, donors, and governing bodies (collectively, the "Released Parties") make no warranties or representations, express or implied, including, without limitation, warranties of merchantability, fitness for a particular purpose, adequacy, durability, or performance, with respect to any well, tank, pump, distribution system, equipment, materials, or services funded in whole or in part through the RFC. The Released Parties do not guarantee the quantity, quality, pressure, or reliability of

any water supply system installed, constructed, or improved through use of RFC funds.

4.12.2. Hold Harmless and Release. Each Qualifying Applicant shall, to the fullest extent permitted by law, release, indemnify, defend, and hold harmless the Released Parties from and against any and all claims, causes of action, demands, damages, losses, liabilities, costs, or expenses (including reasonable attorneys' fees and costs of investigation and defense) arising out of or related to: (a) any defect, malfunction, or failure of wells, tanks, or equipment; (b) contamination, insufficiency, or interruption of water supply; (c) injuries to persons or property occurring in connection with any water infrastructure funded through the RFC; (d) the acts or omissions of the Qualifying Applicant, the Qualifying Applicant's agents, contractors, or invitees; or (e) any other matter arising from the use, installation, or maintenance of water infrastructure funded in whole or in part through the RFC.

4.12.3. Limitation on Water Use. Each Qualifying Applicant shall acknowledge and agree that any water made available or accessed through infrastructure funded by the RFC shall be used exclusively for Domestic Purposes. This limitation shall be binding upon each Qualifying Applicant and all future owners or occupants of the benefiting property, and the Release Agreement shall include an express covenant restricting non-Domestic Purposes, which shall be recorded in the official records of the applicable county.

4.13. Multi-Party Exempt Wells. The Parties encourage the development and use of shared Exempt Wells serving two or more Dwellings ("Shared Well") as a means to promote efficient water infrastructure investment. However, to prevent disputes regarding the use, operation, and long-term management of such shared water systems, additional requirements shall apply.

4.13.1. Well Share Agreement Requirement. As a condition precedent to receiving any funding from the RFC for the construction of a Shared Well, each Qualifying Applicant participating in such Shared Well arrangement shall be required to execute a Shared Well Operating and Maintenance Agreement ("Well Share Agreement"). The Well Share Agreement must: (a) identify each Dwelling and their respective parcel numbers; (b) designate the parcel(s) on which the Shared Well and any related infrastructure will be located; (c) establish each party's rights of access to the Shared Well and associated infrastructure; (d) allocate responsibilities for routine operation, maintenance, repair, and replacement of shared components; (e) specify the cost-sharing structure for initial installation and ongoing expenses; (f) identify a procedure for resolving disputes among the parties; and (g) include covenants running with the land to ensure that the rights and obligations established therein are binding upon and enforceable against future owners, lessees, or occupants of each respective parcel.

4.13.2. Recordation. The Well Share Agreement shall be recorded in the official records of the applicable county recorder.

V. RELEASE

- 5.1. Release. In consideration of Riverview's commitments under this Agreement, including the implementation and continued maintenance of the BMPs for its Irrigated Agriculture, the Acreage Reduction Commitment, and Riverview's funding of the SSWF and RFC, and upon the execution of this Agreement by both Parties, the State of Arizona, acting through the Attorney General, hereby releases and discharges Riverview, together with its predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them (collectively, the "Riverview Released Parties"), and each of them, from all known and unknown charges, complaints, claims, grievances, liabilities, damages, actions, causes of action, suits, rights, demands arising from facts that are known, or with reasonable diligence should be known, as of the date of the execution of this Agreement concerning Riverview's operations or allegations that Riverview's operations constitute or contributed to a public nuisance within the State of Arizona, as well as any resulting expenses (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever that the State has, or may have had, against the Riverview Released Parties (the "Dispute").

This Agreement resolves any claim for relief that is, or could have been alleged, no matter how characterized, arising from or related to the Dispute.

This release expressly applies in perpetuity to all conduct by Riverview occurring prior to the Effective Date of this Agreement that was known or reasonably should have been known by the State. Prospectively, this release shall apply for the Term of the Agreement to the extent that Riverview engages in Ordinary Farming Practices as defined herein. The prospective release shall automatically terminate, without further action by either party, upon the expiration or earlier termination of this Agreement. Nothing in this Section shall be construed to release Riverview from liability for any conduct that constitutes a material breach of this Agreement or conduct outside the scope of Ordinary Farming Practices.

- 5.2. No Outstanding or Known Future Claims/Causes of Action. The Attorney General affirms that it has not filed with any governmental agency or court any type of action or report against Riverview and currently knows of no existing act or omission by Riverview that may constitute a claim or liability excluded from the release in Section 5.1 above.
- 5.3. No Admission of Liability. Riverview expressly denies and continues to deny any liability, wrongdoing, or violation of law in connection with the subject matter of this Agreement. Specifically, Riverview denies that any of its past, present, or anticipated future conduct, including its groundwater use, crop cultivation, or livestock and dairy operations, constitutes a public or private nuisance under Arizona law or otherwise. This Agreement is the result of a voluntary compromise to resolve potential disputes and is not, and shall not be construed as, an admission of fault, liability, or unlawful conduct by Riverview or any of the Riverview Released Parties.

Neither this Agreement, nor any statements, negotiations, or documents relating to it, shall be admissible as evidence or used in any proceeding for any purpose other than to enforce the terms of this Agreement. The Parties further agree that this Agreement is entered into without prejudice to any Party's legal or factual positions in any other matter or forum.

- 5.4. Suspension of Investigative Activities. In recognition of the establishment of the Willcox and Douglas AMAs by ADWR, and the ongoing regulation of groundwater use within those AMAs, the Attorney General hereby agrees to publicly suspend all investigative activities relating to potential public nuisance claims against Riverview's agricultural operations within the Valley for the duration of this Agreement.

The suspension of investigative activities provided for in this Section 5.4 shall not affect the State's authority to monitor compliance with this Agreement or take enforcement action for any breach thereof.

VI. GENERAL TERMS

- 6.1. Term and Survival. This Agreement shall remain in full force and effect until the twentieth (20th) anniversary of the Effective Date (the "Term"), unless earlier terminated in accordance with the provisions herein. Upon expiration of the Term, any funds committed to the RFC shall not revert to Riverview but shall remain available solely for the benefit of Qualifying Applicants in accordance with the terms of this Agreement. Such funds shall continue to be administered by Riverview until fully expended. The expiration or earlier termination of this Agreement shall not: (a) affect any rights or obligations that expressly survive termination, including the release set forth in Article V; (b) affect Riverview's ability to voluntarily continue to administer or contribute to the RFC; or (c) relieve either Party of liability for any breach of this Agreement occurring prior to the effective date of termination or expiration.
- 6.2. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings, representations, negotiations, and agreements, whether oral or written. No amendment, modification, or supplement to this Agreement shall be valid or binding unless set forth in a writing signed by duly authorized representatives of both Parties.
- 6.3. Separate Agreements. Notwithstanding the foregoing, the Parties may separately agree to coordinate well drilling and other activities intended to support or further the purposes and goals of this Agreement.
- 6.4. Non-Disparagement. Neither Party shall make, publish, or communicate any public statements, press releases, or other communications that disparage, denigrate, or otherwise intentionally undermine the reputation, integrity, or good standing of the other Party, its office or business, including its officers, employees, agents, affiliates, or operations. The Parties shall use best efforts to align on public messaging in connection with the announcement of this Agreement.

- 6.5. Waiver. No waiver by either Party of any term, condition, or breach of this Agreement shall be deemed a waiver of any other term, condition, or breach, nor shall any waiver be deemed a continuing waiver unless expressly stated in writing and signed by the waiving Party. The failure of either Party to enforce any right or provision under this Agreement shall not be construed as a waiver of such right or provision.
- 6.6. Authority and Execution. Each person executing this Agreement on behalf of a Party represents and warrants that they have full legal authority to bind such Party to the terms and conditions set forth herein.
- 6.7. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable under applicable law, the remaining provisions shall remain in full force and effect.
- 6.8. Notices. All notices, demands, requests, or other communications required or permitted under this Agreement shall be in writing and shall be deemed given (a) when delivered personally, (b) when sent by certified mail, return receipt requested, postage prepaid, or (c) when sent by email with read receipt requested, provided that a hard copy is also sent via one of the foregoing methods. Notices shall be addressed as follows, or to such other persons or addresses as may be designated in writing by a Party:

To Riverview: Riverview, LLP
26406 470th Avenue
Morris, MN 56267
Attn: Brady Janzen, Partner / Counsel
Email: brady.janzen@riverviewllp.com

With copy to: Mitch Fehr, CEO
Email: mitch.kehr@riverviewllp.com

Clark Hill
3200 North Central Avenue, Suite 1600
Phoenix, AZ 85012
Attn: John Lemaster
Email: jlemaster@clarkhill.com

To State: Statistical Project Specialist
Environmental Protection Unit
Civil Litigation Division
Office of the Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004-1545
Email: ENVProtect@azag.gov

- 6.9. Counterparts; Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile, scanned copy (PDF), or other electronic means (including DocuSign or similar electronic signature

platforms) shall be deemed valid and binding for all purposes, and shall have the same legal effect as original, handwritten signatures. No Party shall assert that this Agreement is invalid or unenforceable solely due to the use of electronic signature or electronic transmission.

- 6.10. Defined Terms. Capitalized terms used in this Agreement shall have the meanings ascribed to them in this Agreement, including without limitation as set forth in Article I (Definitions), unless otherwise expressly stated.
- 6.11. Governing Law; Venue. This Agreement shall be governed by, construed in accordance with, and enforced under the laws of the State of Arizona, without regard to its conflict of law principles. Any legal action, proceeding, or dispute (except as set forth in Section 4.7.6) arising out of or relating to this Agreement shall be brought exclusively in a state court of competent jurisdiction located in Maricopa County, Arizona, and each Party hereby irrevocably consents to the jurisdiction and venue of such courts for such purposes.

(Signature page follows)

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.

STATE OF ARIZONA ex rel. ATTORNEY
GENERAL KRISTIN MAYES

By:  _____

Name: Kristin Mayes

Title: Attorney General

Date: 12/31/2025

RIVERVIEW, LLP, a Minnesota limited liability partnership

By: Brady Janzen

Name: Brady Janzen

Title: Authorized Partner

Date: 12/31/2025

EXHIBIT A

Qualified Vendors

- **Pride Drilling, LLC**
Location: 1253 E Maley St, Willcox, AZ 85643
Phone: (520) 250-0078
Website: pridedrilling.com
Services: Water well drilling, pump installation, well service and repair, water testing, and treatment.

- **Western Hydro Engineering, LLC**
Location: 1213 W Dragoon Rd, Cochise, AZ 85606
Phone: (520) 826-1164
Website: westernhydroengineering.com
Services: Engineered design and construction of water wells and large capacity pumps for commercial, residential, agricultural, and municipal industries.

- **Chuck M. Dickens – Consulting Hydrogeologist**
Location: 8317 S Camino De Cafe, Tucson, AZ 85747
Phone: (520) 731-6111
Services: Hydrogeological consulting, groundwater studies, well design.

- **W/W Services, LLC**
Location: 1282 N Fort Grant Rd, Willcox, AZ 85643
Phone: (480) 415-1125
Website: wwservicesllc.com
Services: Water well drilling, pump installation, well maintenance and repair.

- **D & M Well Service, LLC**
Location: 5001 E Rainbows End Trl, Elfrida, AZ 85610
Phone: (520) 678-8809
Website: dandmwell.com
Services: Water well drilling, well service, water treatment.

EXHIBIT B

SSWF FUNDING AGREEMENT

I. ADMINISTRATION OF SULPHUR SPRINGS WATER FUND

- 1.1 Establishment of Sulphur Springs Water Fund; Purpose; Permitted Activities. Riverview shall establish the Sulphur Springs Water Fund (“SSWF”) as a donor-restricted charitable fund to be held and administered by a Third-Party Charitable Administrator. The SSWF shall charitably support access to potable water for Domestic Purposes by eligible water users and School Purposes for eligible Schools within the Sulphur Springs Valley primarily outside of a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well, in accordance with this SSWF Funding Agreement.
- 1.2 Charitable Use of SSWF Monies. SSWF monies shall be expended by the Third-Party Charitable Administrator according to the terms of this SSWF Funding Agreement and the *Settlement and Release Agreement*, dated December 31, 2025, by and between Riverview, LLP, a Minnesota limited liability partnership (“Riverview”) and the State of Arizona Ex Rel. Attorney General Kris Mayes (the “State” or the “Attorney General”) (the “Settlement Agreement”). If the terms of this SSWF Funding Agreement and the Settlement Agreement conflict, the terms of the Settlement Agreement shall control, unless explicitly stated otherwise. The Third-Party Charitable Administrator shall have no obligation to make any payments in excess of the funds contributed to the SSWF by Riverview and actually received by the Third-Party Charitable Administrator, together with any returns earned on the investment of such funds.

II. DEFINITIONS

- 2.1 “**Active Management Area**” or “**AMA**” means a geographical area in the State of Arizona designated by ADWR pursuant to Title 45, Chapter 2, Article 2 of the Arizona Revised Statutes.
- 2.2 “**Agricultural Water Use**” means the same as “irrigate” under A.R.S. § 45-402(18), which is defined as the water applied to two or more acres of land to produce plants, or parts of plants, for sale for human consumption or use as feed for livestock, range livestock, or poultry.
- 2.3 “**Arizona Department of Water Resources**” or “**ADWR**” means the Arizona Department of Water Resources, the state agency established under Title 45 of the Arizona Revised Statutes responsible for administering Arizona’s water laws, including groundwater management, surface water rights, dam safety, flood-warning programs, and the designation and regulation of Active Management Areas and Irrigation Non-Expansion Areas.
- 2.4 “**Community Water System**” or “**CWS**” means a public water system, as defined in A.R.S. § 49-352(B), that serves at least fifteen service connections used by year-round residents of the area served by the system or that regularly serves at least twenty-five year-

round residents of the area served by the system. A person is a year-round resident of the area served by a system if the person's primary residence is served water by that system.

- 2.5 “**Domestic Purpose(s)**” means water uses related to household supply, service, and associated domestic activities, and includes the application of water to less than two acres of land to produce plants for sale or for human consumption, or to produce feed for livestock, range livestock, or poultry, as such terms are defined in A.R.S. § 3-1201.
- 2.6 “**Douglas Active Management Area**” means the AMA established by the Arizona Department of Water Resources pursuant to A.R.S. § 45-411.04, encompassing portions of Cochise County, Arizona.
- 2.7 “**Douglas Groundwater Basin**” means the groundwater basin located in southeastern Arizona, and designated as Basin No. 15-01 by ADWR.
- 2.8 “**Dwelling**” means any structure used as a home, residence, or sleeping place by (i) a single person who maintains a household or (ii) two or more persons who maintain a common household. The term includes, without limitation, any manufactured home, modular home, or mobile home that is affixed to real property owned by the occupant and used as the occupant's residence, regardless of whether the manufactured home, modular home, or mobile home is owned, rented, or leased. A Dwelling must contain at least one functional kitchen and one functional bathroom and be suitable for year-round habitation.
- 2.9 “**Effective Date**” means the effective date of the *Settlement and Release Agreement*, dated December 31, 2025, by and between Riverview and the State.
- 2.10 “**Exempt Well**” means a well having a pump with a maximum capacity of not more than thirty-five gallons per minute which is used to withdraw groundwater pursuant to A.R.S. § 45-454.
- 2.11 “**Irrigated Agriculture**” means the application of water to two or more acres of land for the purpose of cultivating crops for commercial sale, human consumption, or livestock feed as defined in “Agricultural Water Use.”
- 2.12 “**Non-Exempt Well**” means a well that is not an Exempt Well.
- 2.13 “**Qualified Vendor**” means (a) a well driller, water supplier, or water specialist identified by the Third-Party Charitable Administrator, or (b) a well driller, water supplier, or water specialist identified on Exhibit A to the Settlement Agreement, together with any amendments thereto, all of which are hereby incorporated by this reference.
- 2.14 “**Qualifying Applicant**” means an applicant who meets the criteria set forth in Article IV.
- 2.15 “**Qualifying Costs**” means the costs and expenses associated with providing a domestic water supply to a Qualifying Applicant that meets the criteria set forth Article V.
- 2.16 “**Residential Applicant**” means a Qualifying Applicant that meets the criteria set forth in Article IV for Residential Applicants.

- 2.17 “**Review Panel**” means the five-member panel created to assist the Third-Party Charitable Administrator in the charitable expenditure of monies contributed to the SSWF.
- 2.18 “**Riverview Irrigation Well**” means a well on land that is owned and operated by Riverview, has been equipped with an installed pump, has connection to a power source (i.e., natural gas or electric service), and is used for Irrigated Agriculture.
- 2.19 “**School**” means an educational institution that: (a) is legally established and recognized under applicable Arizona law as a public or charter elementary school, middle school, high school, or unified school district; (b) provides in-person instruction to enrolled students in one or more grade levels; (c) was physically operating at a fixed location within the Valley as of the Effective Date; and (d) maintains a physical campus that includes, at a minimum, one permanent classroom building equipped with standard plumbing and fixtures.
- 2.20 “**School Applicant**” means a Qualifying Applicant that meets the criteria set forth in Article IV for School Applicants.
- 2.21 “**School Purposes**” means water uses related to school activities.
- 2.22 “**Sulphur Springs Valley**” or “**Valley**” means the Willcox and Douglas Groundwater Basins of the Sulphur Springs Valley in Cochise County, Arizona.
- 2.23 “**Tank System**” means a storage tank and other infrastructure reasonably necessary for a Qualifying Applicant to obtain or receive potable water for Domestic Purposes or School Purposes, as appropriate, from a water hauling service.
- 2.24 “**Third-Party Charitable Administrator**” means an Arizona nonprofit corporation that manages charitable funds and provides grantmaking, philanthropic, and community investment services throughout the State of Arizona, and with whom Riverview enters into an agreement to administer the SSWF in accordance with the SSWF Funding Agreement.
- 2.25 “**Willcox Active Management Area**” means the AMA established by ADWR pursuant to A.R.S. § 45-411.03, encompassing portions of Cochise and Graham Counties, Arizona.
- 2.26 “**Willcox Groundwater Basin**” means the groundwater basin located in southeastern Arizona, and designated as Basin No. 15-02 by ADWR.

III. RESTRICTED PURPOSE OF SSWF CONTRIBUTIONS

- 3.1. Restricted Purpose. Contributions to the SSWF may be used for: (a) the construction and installation of replacement groundwater wells; (b) the acquisition, installation, and operation of Tank Systems or water fill stations; (c) the provision and administration of water-hauling services; and (d) access to CWS services. Contributions may also be used to compensate the Third-Party Charitable Administrator for carrying out its duties to implement the purposes and priorities set forth in this SSWF Funding Agreement, including, without limitation: (e) technical and administrative assistance costs incurred by the Third-Party Charitable Administrator or the Review Panel, including costs associated with engaging engineers, legal counsel, and other technical experts, as well as facilitating

public education regarding the SSWF; (f) the Third-Party Charitable Administrator's administrative fees; (g) reasonable stipends for Review Panel members; and (h) any other purpose the Third-Party Charitable Administrator determines to be appropriate and consistent with this SSWF Funding Agreement, in each case for Domestic Purposes or School Purposes. The Third-Party Charitable Administrator shall have no obligation to make any payments in excess of the funds contributed to the SSWF by Riverview and actually received by the Third-Party Charitable Administrator, together with any returns earned on the investment of such funds, and no applicant shall have any claim or entitlement to funding from the Third-Party Charitable Administrator.

- 3.2. Geographic Limitation. All monies contributed to and disbursed from the SSWF shall be used for expenditures that are physically located within, and directly benefit water users in, the Sulphur Springs Valley. SSWF funds shall not be used for any purpose outside the geographic boundaries of the Sulphur Springs Valley, nor for any activity that does not result in a benefit to access to water supplies within the Valley. The SSWF shall primarily be used to charitably support Qualifying Applicants outside of a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well; provided, however, that the Third-Party Charitable Administrator may coordinate with Riverview to charitably support Qualifying Applicants within a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well at its discretion. For purposes of measuring distances to determine whether the requirements for proximity to a Riverview Irrigation Well have been satisfied, all distances shall be measured as a straight-line horizontal distance (i.e., "as-the-crow-flies").
- 3.3. Priority Uses. The primary and first-priority uses of monies deposited in the SSWF shall be to: (a) replace or re-drill groundwater wells; and (b) provide or support Tank Systems, water fill stations, and water-hauling services, in each case for Domestic Purposes, as further described in this SSWF Funding Agreement.
 - 3.3.1. Priority for Qualifying Applicants Located One and Six-Tenths (1.6) to Three (3) Miles from a Riverview Irrigation Well. Applications submitted by Qualifying Applicants located between ONE AND SIX-TENTHS (1.6) miles and THREE (3) miles from a Riverview Irrigation Well shall receive priority over applications submitted by Qualifying Applicants located more than THREE (3) miles from a Riverview Irrigation Well.
- 3.4. Non-State, Non-General-Fund Monies. SSWF monies are and shall remain private charitable funds contributed by Riverview and held by the Third-Party Charitable Administrator in a restricted charitable fund. SSWF monies shall not be treated as "monies received for and belonging to the state," are not public monies, and shall not be deposited in the Arizona state treasury, credited to the state general fund, or subjected to legislative appropriation or allocation under any Arizona public finance statute. Nothing in this SSWF Funding Agreement shall be construed to create any state fund, trust, or custodial account with respect to SSWF monies.
- 3.5. No Partnership; No Third-Party Beneficiary. The Parties are independent contracting parties, and nothing in this Agreement or this Exhibit B shall be deemed to create a partnership, joint venture, or agency relationship between the Parties or with the Third-

Party Charitable Administrator, nor shall it grant either Party any authority to assume or create any obligation on behalf of, or in the name of, the other Party or the Third-Party Charitable Administrator. This Agreement shall not confer any benefit, right, or standing to sue upon any individual or entity other than the Parties, nor shall it grant any Residential Applicant, School Applicant, or any other applicant any rights to SSWF monies or consideration for SSWF monies. No third party shall be entitled to enforce any obligation, responsibility, or claim against any Party to this Agreement or against the Third-Party Charitable Administrator.

IV. QUALIFYING APPLICANTS

4.1. Residential Applicants. To be considered a Qualifying Applicant, a Residential Applicant must satisfy each of the following requirements:

4.1.1. Eligibility Requirement. As of the Effective Date, the applicant must be the legal owner of record of a tax parcel located within the Valley on which a Dwelling is located.

4.1.2. Residency Requirement. The applicant, or a lawful tenant of the applicant, must occupy a Dwelling located on the applicable tax parcel as their principal place of residence. Such principal residency must have commenced prior to the Effective Date. If principal residency is satisfied due to occupancy by a lawful tenant, the application shall be eligible only if the Third-Party Charitable Administrator approves it as a hardship exception.

4.1.3. Proximity to Riverview Irrigation Well Requirement. The Dwelling must be located within the Sulphur Springs Valley and the exterior wall of the applicant's applicable Dwelling must be located outside a ONE AND SIX-TENTHS (1.6) mile radius of a Riverview Irrigation Well.

4.1.4. Domestic Water Supply Requirement. The applicable Dwelling must receive its domestic water supply from an Exempt Well that is physically located on the same tax parcel as the Dwelling.

4.1.5. Water Supply Failure. The applicant must demonstrate, to the satisfaction of the Third-Party Charitable Administrator, that the Exempt Well serving the applicable Dwelling no longer provides sufficient water for the applicant's uses due to groundwater level declines.

4.1.5.1. Present Failure. Applications submitted by Qualifying Applicants demonstrating that the Exempt Well serving the applicable Dwelling does not presently provide sufficient water for the applicant's uses as a result of groundwater level declines shall be prioritized over all other applications.

4.1.5.2. Future Failure. An applicant may submit the professional opinion of a qualified geologist, hydrogeologist, hydrologist, or similarly qualified professional stating that groundwater level declines have

caused, or will cause, the Exempt Well to fail in the future. The Third-Party Charitable Administrator shall have discretion to treat a well that it reasonably determines is likely to fail within the next twelve (12) months as having already failed. In such circumstances, the well may be replaced within that twelve-month period; provided, however, that wells that have already failed shall receive priority for funding over wells projected to fail within the next twelve (12) months.

4.1.5.3. Sufficient Water. For purposes of this Section, “sufficient water” means water of adequate quantity and quality to meet the domestic needs of the Dwelling.

4.1.6. Residential Applicants Served by a CWS. No Residential Applicant shall qualify as a Qualifying Applicant if the applicant’s Dwelling is located within the service boundaries of a CWS and the CWS is capable of supplying a sufficient amount of potable water to the residence. It shall be presumed that the CWS is capable of supplying a sufficient amount of potable water to the Dwelling. This presumption may be overcome only if the CWS provides written confirmation that it is incapable of supplying a sufficient amount of potable water to the Dwelling.

4.2. School Applicants. To be considered a Qualifying Applicant under this subsection, a School Applicant must satisfy each of the following requirements, to the satisfaction of the Third-Party Charitable Administrator:

4.2.1. Eligibility Requirement. As of the Effective Date, the applicant must operate a School located within the Valley.

4.2.2. Ownership or Site Control Requirement. The applicant must either: (a) be the legal owner of record of the tax parcel on which the School is located; or (b) hold a valid and enforceable right to occupy and construct improvements on such parcel, such as being the lessee under a valid ground lease for such parcel.

4.2.3. Proximity to Riverview Irrigation Well Requirement. The exterior wall of any of the School’s physical campus buildings must be located within the Sulphur Springs Valley and outside ONE AND SIX-TENTHS (1.6) miles from a Riverview Irrigation Well.

Notwithstanding the general proximity requirement described above, the following Schools (“Specifically Designated Schools”) meet this requirement and shall be considered Qualifying Applicants under this SSWF Funding Agreement, provided they satisfy all other applicable criteria:

- Ash Creek Elementary School District 53, 6460 AZ-181, Pearce, AZ.
- Elfrida Elementary School, 4070 W. Jefferson Rd., Elfrida, AZ
- Valley Union High School, 4088 W. Jefferson Rd., Elfrida, AZ
- Cochise Elementary School, 5025 N. Bowie Ave, Cochise, AZ
- McNeal Elementary School District, 3979 McNeal St., McNeal, AZ

These Specifically Designated Schools will be eligible to receive up to fifty percent (50%) of their Qualifying Costs from the SSWF, provided that the School (1) submits a complete application to the RFC for the applicable project and Qualifying Costs that otherwise satisfies all applicable eligibility criteria under the Settlement Agreement, and (2) submits a complete application to the Third-Party Charitable Administrator of the SSWF for the same project and Qualifying Costs that otherwise satisfies all applicable eligibility criteria under the SSWF Funding Agreement. The Third-Party Charitable Administrator may review and act on a Specifically Designated School's application(s) in its discretion and may condition approval on the RFC's approval and confirmation of the corresponding cost share, or may approve a Specifically Designated School's application without conditions. The Third-Party Charitable Administrator may coordinate with Riverview, in its sole discretion, as necessary to carry out this Section and further the Restricted Purpose of the SSWF Funding Agreement.

- 4.2.4. Water Supply Failure. The applicant must demonstrate, to the satisfaction of the Third-Party Charitable Administrator, that the Exempt Well serving the applicable School no longer provides sufficient water for the applicant's uses due to groundwater level declines.
 - 4.2.4.1. Present Failure. Applications submitted by Qualifying Applicants demonstrating that the Exempt Well serving the applicable School does not presently provide sufficient water for the applicant's uses as a result of groundwater level declines shall be prioritized over all other applications (except Qualifying Applicants under Section 4.1.5.1).
 - 4.2.4.2. Future Failure. An applicant may submit the professional opinion of a qualified geologist, hydrogeologist, hydrologist, or similarly qualified professional stating that groundwater level declines have caused, or will cause, the Exempt Well to fail in the future. The Third-Party Charitable Administrator shall have discretion to treat a well that it reasonably determines is likely to fail within the next twelve (12) months as having already failed. In such circumstances, the well may be replaced within that twelve-month period; provided, however, that wells that have already failed shall receive priority for funding over wells projected to fail within the next twelve (12) months.
 - 4.2.4.3. Sufficient Water. For purposes of this Section, "sufficient water" means water of adequate quantity and quality to meet the School Purposes.
- 4.2.5. Exhaustion of Other Funding Sources. To be considered a Qualifying Applicant, School Applicants shall demonstrate to the Third-Party Charitable Administrator that they have made reasonable efforts to secure alternative funding for any Qualifying Costs. At a minimum, and unless the Third-Party Charitable

Administrator determines in writing, in its sole discretion, that such an application would be futile or inapplicable based on the nature of the Qualifying Costs, the School Applicant must demonstrate to the Third-Party Charitable Administrator that it submitted a complete application to the Arizona Department of Administration, School Facilities Division (“SFD”) for funding for the proposed project and that the application was denied, in whole or in part. School Applicants shall provide the Third-Party Charitable Administrator with a copy of the submitted SFD application and all supporting materials, and proof of the denial, in whole or in part. In addition, each School Applicant shall disclose to the Third-Party Charitable Administrator any other applications or requests for funding or reimbursement that it has submitted (or intends to submit) to any other governmental, charitable, philanthropic, or grantmaking source relating to the same Qualifying Costs, and shall provide copies of such submissions. The School Applicant shall further promptly notify the Third-Party Charitable Administrator in writing of the disposition of each such application or request (including any approval, denial, award amount, conditions, or timelines) and shall provide copies of all award letters, denial letters, and related correspondence. The Third-Party Charitable Administrator may deny or limit SSWF assistance to the extent necessary to avoid duplication of benefits or double recovery for the same costs, and may condition any approval of SSWF assistance on the School Applicant’s compliance with this Section. The purpose of this Section is to require School Applicants to pursue and exhaust other reasonably available sources of funding before receiving SSWF assistance, as determined in the sole discretion of the Third-Party Charitable Administrator.

- 4.2.6. School Applicants Served by a Community Water System. No School Applicant shall qualify as a Qualifying Applicant if the School is located within the service boundaries of a CWS and the CWS is able to supply a sufficient amount of potable water to the School. It shall be presumed that the CWS is capable of supplying a sufficient amount of potable water to the School. This presumption may be overcome only if the CWS provides written confirmation that it is incapable of supplying a sufficient amount of potable water to the School.
- 4.3. Hardship Exception. Notwithstanding the eligibility requirements set forth in this Article IV, the Third-Party Charitable Administrator may, in its discretion, approve an application, in whole or in part, if it determines that denial of the application would result in extreme hardship to the applicant. In making any hardship determination, the Third-Party Charitable Administrator may, but is not required to, consult with the Review Panel. Extreme Hardship could include, without limitation: (a) circumstances where the applicant’s Dwelling is the applicant’s principal place of residence but the applicant cannot satisfy a technical eligibility requirement due to unique title, tenancy, probate, trust, or similar ownership or documentation issues; (b) the presence in the Dwelling of a medically vulnerable resident (including an elderly resident, an infant, or a person with a disability or serious medical condition) for whom interruption of potable water service creates a material health or safety risk; (c) a sudden or catastrophic loss of water supply (including pump collapse, well casing failure, electrical failure, or contamination) where immediate interim water access is necessary to avoid unsafe living conditions, even if the applicant

cannot yet produce all documentation ordinarily required; (d) circumstances where the applicant is experiencing severe financial distress or other extraordinary personal circumstances such that denial would likely result in displacement, loss of habitability, or inability to maintain a minimum domestic water supply; (e) situations involving imminent public health or safety concerns at the Dwelling (including inability to maintain sanitation) that require immediate temporary measures, such as Tank Systems, hauled-water access, or interim potable water supply; and (f) other comparable, extraordinary circumstances that the Third-Party Charitable Administrator determines are consistent with the Restricted Purpose and the charitable intent of the SSWF and for which strict application of the eligibility requirements would be inequitable, such as an applicant within ONE AND SIX-TENTHS (1.6) mile radius of any Riverview Irrigation Well, but where Riverview has exhausted all funding for the RFA.

V. COSTS ELIGIBLE FOR ASSISTANCE

5.1. Qualifying Costs for Assistance. The following costs and expenses shall be eligible for funding from the SSWF, subject to the terms of this SSWF Funding Agreement:

5.1.1. Well Construction. For all applications involving the construction of an Exempt or Non-Exempt Well, Qualifying Costs include the reasonable and necessary costs of drilling and casing the well to a sufficient depth in accordance with the design specifications set forth in Exhibit C to the Settlement Agreement for Residential Applicants or in accordance with the design specifications approved by the Third-Party Charitable Administrator in its discretion for School Applicants. Qualifying Costs may also include other reasonable and necessary costs, at the Third-Party Charitable Administrator's discretion, including, without limitation, costs related to the acquisition or installation of well pumps, electrical wiring, plumbing, pressure tanks, water treatment or filtration systems, water quality testing, or any equipment, materials, or services required to comply with applicable regulatory requirements.

5.1.1.1. Multi-Party Exempt Wells. Applicants are encouraged to develop and use of shared Exempt Wells serving two or more Dwellings ("Shared Well") as a means to promote efficient water infrastructure investment. However, to prevent disputes regarding the use, operation, and long-term management of such shared water systems, the following additional requirements shall apply.

5.1.1.2. Well Share Agreement Requirement. As a condition precedent to receiving any funding from the SSWF for the construction of a Shared Well, each Qualifying Applicant participating in such Shared Well arrangement shall be required to execute a Shared Well Operating and Maintenance Agreement ("Well Share Agreement"). The Well Share Agreement must: (a) identify each Dwelling and their respective parcel numbers; (b) designate the parcel(s) on which the Shared Well and any related infrastructure will be located; (c) establish each party's rights of access to the Shared Well and associated infrastructure; (d) allocate responsibilities for routine operation, maintenance, repair, and

replacement of shared components; (e) specify the cost-sharing structure for initial installation and ongoing expenses; (f) identify a procedure for resolving disputes among the parties; and (g) include covenants running with the land to ensure that the rights and obligations established therein are binding upon and enforceable against future owners, lessees, or occupants of each respective parcel.

- 5.1.1.3. Recordation. The Well Share Agreement shall be recorded in the official records of the applicable county recorder.
- 5.1.2. Tank Systems. For all applications involving the installation of a Tank System, Qualifying Costs shall be the reasonable and necessary costs associated with the acquisition, delivery, setup, and installation of the Tank System, including any associated plumbing, valves, platforms, or appurtenances necessary for safe and functional operation. Qualifying Costs may also include other reasonable and necessary costs, at the Third-Party Charitable Administrator's discretion.
- 5.1.3. Water Fill Stations. Qualifying Costs shall include the reasonable and necessary costs to plan, acquire, permit, install, equip, operate, maintain, and access potable water from one or more water fill stations, including, as applicable, meters, taps, dispensers, storage, valves, appurtenances, site preparation, utility connections, security measures, signage, and reasonable vendor fees. Notwithstanding the foregoing, a water fill station shall constitute a Qualifying Cost only if the Third-Party Charitable Administrator determines, in its discretion, that: (a) the fill station will provide a reliable, safe, and reasonably accessible source of potable water for a sufficient number of residents or users within the Sulphur Springs Valley to reasonably justify the associated costs; (b) the proposed location, capacity, design, and operating plan are reasonably expected to meet the identified need without creating material safety, traffic, environmental, or public-health concerns; (c) the fill station will be owned, operated, and supplied by a CWS and will comply with all applicable federal, state, and local laws, permits, and drinking-water standards; and (d) construction of Exempt or Non-Exempt Well's, or installation of a Tank System, is not feasible, is not reasonably available within a reasonable timeframe, would not be cost-effective under the circumstances, or would not adequately address the specific need to be addressed, including circumstances requiring interim or emergency access to potable water while a longer-term solution is pursued.
- 5.1.4. Water-Hauling Services. The Third-Party Charitable Administrator may approve water-hauling services only as a temporary and interim measure in connection with and pending completion of an approved longer-term solution, such as a replacement well or permanent tank system. Water hauling costs shall only be available if no other supply of water is available during the time it takes to make available a longer-term solution. Qualifying Costs shall include the reasonable and necessary costs to arrange, administer, and provide potable water-hauling services for Domestic Purposes or School Purposes, including, as applicable: (a) vendor mobilization and delivery charges; (b) the cost of potable water delivered; (c) delivery scheduling,

coordination, and reasonable program-administration costs directly related to providing hauling services; (d) rental or use of temporary delivery equipment (e.g., hoses, fittings, and meters) reasonably necessary to deliver water to an approved Tank System or other approved receiving infrastructure; and (e) reasonable access fees charged by the water supplier or delivery vendor. Notwithstanding the foregoing, water-hauling services shall qualify as a Qualifying Cost only if the Third-Party Charitable Administrator determines, in its discretion, that: (i) the hauling services will provide a reliable, safe, and reasonably accessible source of potable water to the applicable Qualifying Applicant(s) for the period of need; (ii) the hauling services will be provided by a Qualified Vendor (or another vendor approved in writing by the Third-Party Charitable Administrator) using potable water obtained from a compliant source (including a CWS or other potable-water provider that meets applicable drinking-water standards); (iii) the hauling plan (including frequency, volume, delivery locations, and receiving infrastructure) is reasonably expected to meet the need to be addressed without creating material safety, traffic, or public-health concerns; and (iv) well construction and/or establishment of a CWS service connection is not feasible, is not reasonably available within a reasonable time, would not be cost-effective under the circumstances, or would not adequately address the specific need to be addressed (including where interim or emergency access to potable water is required while a longer-term solution is pursued).

5.1.5. CWS Service Connection. Qualifying Costs may include the reasonable and necessary costs to establish one or more service connections to a CWS to provide potable water for Domestic Purposes or School Purposes, including, as applicable: (a) connection and impact fees; (b) meter and tap fees; (c) required permitting and inspections; (d) pressure regulation and backflow-prevention devices; and (e) reasonable engineering or design costs directly related to the connection. A CWS service connection shall qualify as a Qualifying Cost only if the Third-Party Charitable Administrator determines, in its discretion, that: (i) the CWS is capable of supplying a sufficient amount of potable water to the Dwelling or School and will provide service in compliance with all applicable laws, permits, and drinking-water standards; (ii) the connection can be completed within a reasonable time and will provide a reliable and reasonably accessible water supply; and (iii) the total all-in cost of the CWS service connection for the applicable Dwelling or School (including all fees and the reasonable and necessary cost of constructing the service line and required appurtenances) is less than the Third-Party Charitable Administrator's reasonable estimate of the all-in cost to construct a replacement well that would otherwise qualify for the same applicant and need. For purposes of this Section, "total all-in cost" shall exclude ongoing monthly service charges, usage charges, and other recurring rates, which shall not be Qualifying Costs.

5.2. Payment of Qualifying Costs for Assistance. All payments of SSWF monies shall be made directly to Qualified Vendors and not to Qualifying Applicants.

5.2.1. Use of Qualified Vendors. The Third-Party Charitable Administrator shall develop a list of Qualified Vendors to provide Qualifying Applicants with the services

necessary to carry out the Restricted Purpose of the SSWF. At a minimum, the Third-Party Charitable Administrator may use the list of Qualified Vendors attached as **Exhibit A** to the Settlement Agreement. The Third-Party Charitable Administrator shall use Qualified Vendors as much as practicable but may use other vendors to provide services as needed.

- 5.3. Restriction on Multiple Applications. A Qualifying Applicant shall be eligible to receive support from the SSWF only one time, for one Exempt Well, Tank System, Non-Exempt Well, or CWS Service Connection. Notwithstanding the foregoing, the Third-Party Charitable Administrator may, in its discretion, provide additional support to a Qualifying Applicant if the Third-Party Charitable Administrator determines that additional support is warranted based on the circumstances.
- 5.4. Disclaimer of Warranties; Hold Harmless and Release; Limitation of Water Use. As a condition precedent to receiving any funding from the SSWF, each Qualifying Applicant shall be required to execute an Acknowledgment and Release Agreement (“Release Agreement”) that shall include, without limitation, the following terms:
 - 5.4.1. Disclaimer of Warranties. The Third-Party Charitable Administrator and each of their respective officers, directors, employees, agents, contractors, representatives, affiliates, donors, and governing bodies (collectively, the “Released Parties”) make no warranties or representations, express or implied, including, without limitation, warranties of merchantability, fitness for a particular purpose, adequacy, durability, or performance, with respect to any well, tank, pump, distribution system, equipment, materials, or services funded in whole or in part through the SSWF. The Released Parties do not guarantee the quantity, quality, pressure, or reliability of any water supply system installed, constructed, or improved through use of SSWF funds.
 - 5.4.2. Hold Harmless and Release. Each Qualifying Applicant shall, to the fullest extent permitted by law, release, indemnify, defend, and hold harmless the Released Parties from and against any and all claims, causes of action, demands, damages, losses, liabilities, costs, or expenses (including reasonable attorneys’ fees and costs of investigation and defense) arising out of or related to: (a) any defect, malfunction, or failure of wells, tanks, or equipment; (b) contamination, insufficiency, or interruption of water supply; (c) injuries to persons or property occurring in connection with any water infrastructure or services funded through the SSWF; (d) the acts or omissions of the Qualifying Applicant, the Qualifying Applicant’s agents, contractors, or invitees; or (e) any other matter arising from the use, installation, or maintenance of water infrastructure or services funded in whole or in part through the SSWF.
 - 5.4.3. Limitation on Water Use. Each Qualifying Applicant shall acknowledge and agree that any water made available or accessed through infrastructure funded by the SSWF shall be used exclusively for Domestic Purposes or School Purposes, as appropriate. This limitation shall be binding upon each Qualifying Applicant and all future owners or occupants of the benefiting property, and the Release

Agreement shall include an express covenant restricting non-Domestic Purposes (or non-School Purposes, as appropriate), which shall be recorded in the official records of the applicable county.

VI. REVIEW PANEL

6.1. Establishment of Review Panel. The Third-Party Charitable Administrator shall administer a five-member “Review Panel” to assist the Third-Party Charitable Administrator in administering the SSWF.

6.1.1. Duties of the Review Panel. The Review Panel shall have the following duties: (i) at the Review Panel’s discretion or at the request of the Third-Party Charitable Administrator, review any application for which the Third-Party Charitable Administrator proposes to approve the use of SSWF monies, in whole or in part; (ii) review all applications for which the Third-Party Charitable Administrator proposes to deny the use of SSWF monies, in whole or in part; (iii) resolve questions of interpretation regarding the Restricted Purpose of the SSWF or disputes over applicant eligibility that are referred to the Review Panel by the Third-Party Charitable Administrator; (iv) develop and, from time to time, provide to the Third-Party Charitable Administrator additional detail and guidance regarding criteria for eligibility for the use of SSWF monies, consistent with the Restricted Purpose; (v) review and, as appropriate, approve or recommend for approval applications that fall outside standard categories of assistance (“non-standard applications”) but are still consistent with the Restricted Purpose of the SSWF; (vi) at the request of and in consultation with the Third-Party Charitable Administrator, recommend approval of the use of SSWF monies for technical support, education of potential applicants, and the organization or enhancement of community participation and education, and provide guidance on the prioritization and direction of such expenditures, consistent with the Restricted Purpose of the SSWF; and (vii) in collaboration with the Third-Party Charitable Administrator adopt reasonable rules and procedures for its own administration and for its interactions with the Third-Party Charitable Administrator in administering the SSWF, consistent with the Settlement Agreement, the SSWF Funding Agreement, and applicable law, that are in the public interest and promote transparency in decision-making regarding the use of contributions to the SSWF in furtherance of its Restricted Purpose.

The Third-Party Charitable Administrator shall follow the final recommendation of the Review Panel unless it determines that doing so will be contrary to the requirements of this Agreement, any fund agreement applicable to the SSWF, or applicable laws or regulations. The determination of the Third-Party Charitable Administrator shall be within its discretion, and shall be final.

6.1.2. Review Panel Members. A Review Panel member shall be appointed by each of the following organizations:

- One member appointed by the Sulphur Springs Alliance;

- One member appointed by the Babbitt Center;
- One member appointed by the ASU Sustainability Institute;
- One member appointed by the Water Resources Research Center of the University of Arizona; and
- One member appointed by the Third-Party Charitable Administrator.

In making these appointments, each named organization shall give preference to individuals who (a) are current residents of the Sulphur Springs Valley, or (b) have demonstrated local experience with water-access issues in the Sulphur Springs Valley.

No member of the Review Panel may have any familial relationship with, or be employed by, Riverview or the Office of the Arizona Attorney General, nor may any member have been employed by either entity at any time within the preceding five (5) years. For purposes of this provision, a “familial relationship” includes any relationship within the first degree by blood or marriage.

Under no circumstances may a Review Panel member be (i) an elected public official at the federal, state, tribal, or local level, or (ii) an individual who has formally declared, registered, or otherwise made public their candidacy for any such elected office.

6.1.3. Term and Replacement of Panel Members. To ensure the terms of the Review Panel members are staggered, the first member appointed by:

- The Water Resources Research Center of the University of Arizona shall serve three (3) years;
- The Babbitt Center shall serve four (4) years;
- The Arizona State University Sustainability Institute shall serve five (5) years;
- The Sulphur Springs Alliance shall serve six (6) years; and
- The member appointed by the Third-Party Charitable Administrator shall serve seven (7) years.

Subsequent Review Panel member terms shall be three (3) years.

6.1.4. Selecting Review Panel Members if Appointments Not Made. If any organization designated in Section 6.1.2 to appoint a Review Panel member fails or declines to make its appointment within the time period specified by the Third-Party Charitable Administrator, the Third-Party Charitable Administrator shall assume responsibility for filling the vacancy. In that event, the Third-Party Charitable Administrator shall solicit nominations, evaluate and vet all nominees for compliance with the eligibility requirements of this SSWF Funding Agreement, and appoint a qualified individual to serve as the Review Panel member or an entity to appoint a Review Panel member.

6.2. Review Panel Decision-Making Process: All actions and determinations of the Review Panel shall be made by majority vote of the members present. A quorum shall consist of at least three (3) Review Panel members, and no business may be conducted without a

quorum. The Review Panel shall convene, either in person or by virtual meeting, within thirty (30) calendar days after receiving a written meeting request from the Third-Party Charitable Administrator or any appointing organization identified in Section 6.1.2 and shall meet no less than once per calendar year. The Third-Party Charitable Administrator shall provide written notice to the Review Panel within fourteen (14) calendar days after determining to issue any denial of an application for SSWF funding.

- 6.3. Stipend. Each member of the Review Panel shall receive an annual stipend of five hundred dollars (\$500.00), to be paid by the Third-Party Charitable Administrator from SSWF funds. Stipend payments shall be made in accordance with the Third-Party Charitable Administrator's normal business practices.

VII. REPORTING

- 7.1. Reporting to Attorney General. Following the Effective Date of the Settlement Agreement, with respect to all expenditures of SSWF monies, the Third-Party Charitable Administrator shall provide written reports to the Attorney General. All written reports shall be sent to:

Statistical Project Specialist
Environmental Protection Unit
Civil Litigation Division
Office of the Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004-1545
Email: ENVProtect@azag.gov

- 7.2. Reporting Dates. Beginning after the first full calendar quarter following the Effective Date, and continuing through the second (2nd) anniversary of the Effective Date, the Third-Party Charitable Administrator shall prepare and deliver written reports to the Attorney General within thirty (30) calendar days after the end of each calendar quarter (ending March 31, June 30, September 30, and December 31).

7.2.1. Transition to Semi-annual reporting. Effective upon Riverview's transition from quarterly to semi-annual reporting under the Settlement Agreement, the Third-Party Charitable Administrator shall automatically transition to a semi-annual reporting cadence. Beginning on the first reporting period following Riverview's transition, the Third-Party Charitable Administrator shall deliver written reports on a semi-annual basis, within thirty (30) calendar days after each June 30 and December 31. If the AGDR approves Riverview's transition to semi-annual reporting pursuant to Section 4.7.1.2 of the Settlement Agreement, the AGDR shall provide written notice to the Third-Party Charitable Administrator of the transition.

- 7.3. Contents of Each Periodic Report. Each report required pursuant to Section 7.2 of this Exhibit B shall include:

7.3.1. Applicant Information. The name, address, and telephone number of each applicant who has requested financial assistance or funding during the reporting period.

- 7.3.2. Disposition of Requests. A summary of the disposition of each request, including (a) whether the request was approved or denied; (b) for approved requests, the amount funded, the purpose of the funding, and the anticipated time frame for completion of the improvement; and (c) for denied requests, a brief explanation of the reason for denial.
- 7.3.3. Statement. A current statement of SSWF funds showing all commitments, disbursements, and the remaining balance of commitments as of the reporting date.
- 7.4. Notification of Rejected Applications. The Third-Party Charitable Administrator shall notify the Attorney General within thirty (30) calendar days if the Third-Party Charitable Administrator rejects an application for assistance from the SSWF. An application is rejected if the Third-Party Charitable Administrator and the Review Panel determine that the applicant is ineligible for assistance from the SSWF and the Third-Party Charitable Administrator notifies the applicant that the applicant will not receive assistance from the SSWF. An application is not considered rejected if the Third-Party Charitable Administrator refers the applicant to Riverview because the applicant is within one and six-tenths (1.6) miles of a Riverview Irrigation Well, or if the Third-Party Charitable Administrator tells an applicant that it needs more information to process their application.
- In its notification to the Attorney General, the Third-Party Charitable Administrator will provide a brief explanation for why the applicant's request was rejected.
- 7.5. Acknowledgment and Consent to Information Reporting by All Applicants. Each applicant for assistance shall acknowledge and consent to the release of information by the Third-Party Charitable Administrator to the Attorney General and Riverview for reporting purposes.

VIII. GENERAL PROVISIONS

- 8.1. Successor Administration if the Third-Party Charitable Administrator Ceases to Administer SSWF. If, at any time during the Term of the Settlement Agreement, the Third-Party Charitable Administrator ceases to exist, becomes unable or unwilling to continue administering the SSWF, or otherwise terminates its role as administrator of the SSWF, then, upon such an occurrence, all remaining SSWF monies (including principal and any accrued but undistributed earnings) shall be transferred to another non-profit with a similar purpose and administered in accordance with the charitable Restricted Purpose set forth in this SSWF Funding Agreement.
- 8.2. No Entitlement to SSWF Funds; Funding Subject to Availability. Nothing in this SSWF Funding Agreement, the Settlement Agreement, or any application, guideline, communication, or determination issued in connection with the SSWF shall be construed to create any entitlement, vested right, property interest, or expectancy in any applicant or potential applicant to receive SSWF funds.

All determinations regarding whether to approve or deny an application for SSWF assistance, the amount (if any) of such assistance, the timing of any payment, and the form of assistance provided shall be made in the sole discretion of the Third-Party Charitable

Administrator, consistent with the Restricted Purpose and priorities set forth in this SSWF Funding Agreement.

- 8.3. Limitation on Payments from the SSWF. The Third-Party Charitable Administrator shall have no obligation to approve any application, to fully fund any Qualifying Costs, or to make any payment that would cause aggregate commitments or disbursements to exceed the amounts actually deposited in, and available from, the SSWF at the time of approval or payment.

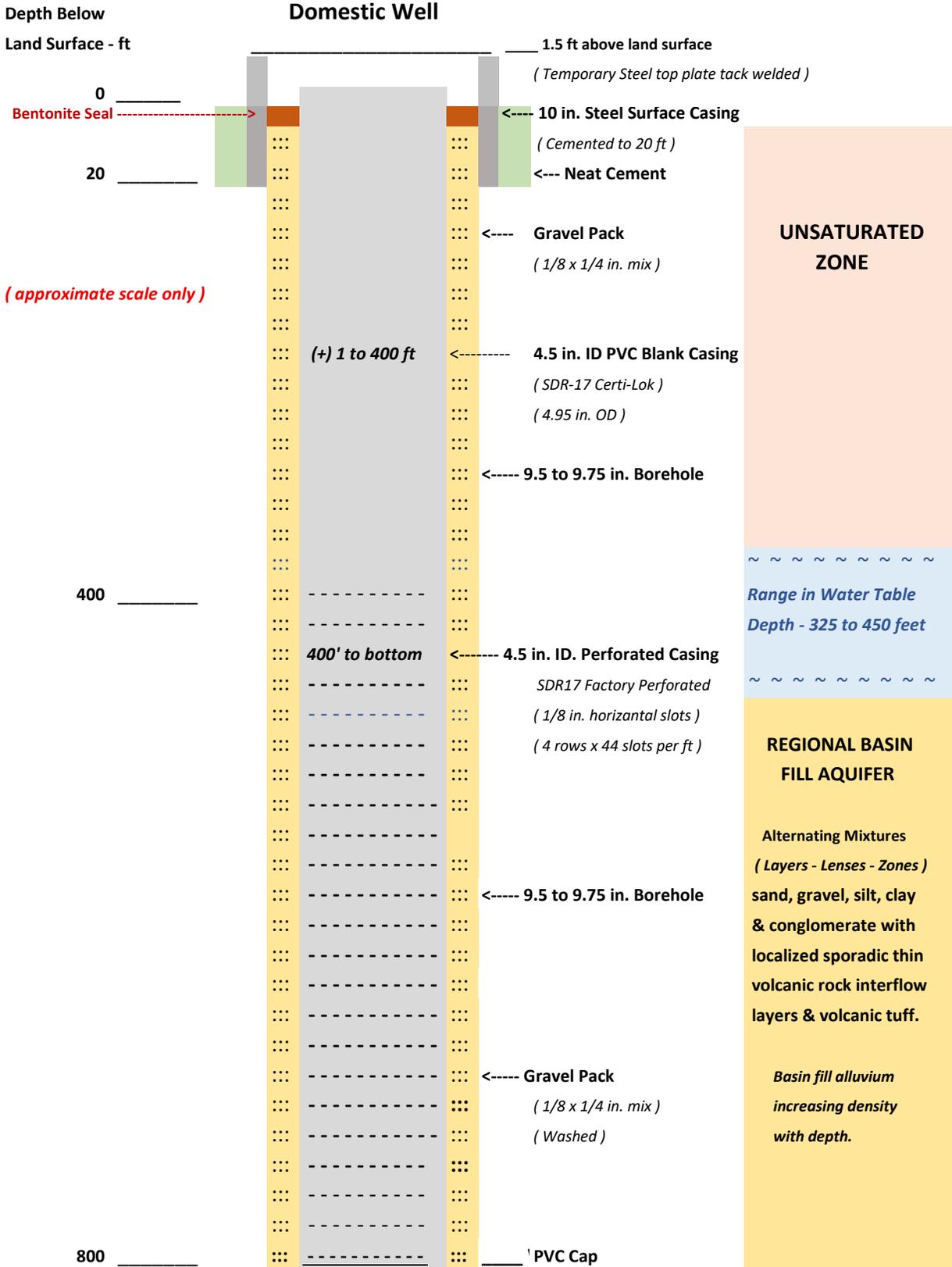
EXHIBIT C

Design Specifications

(attached)

FIGURE 1

PROPOSED WELL SCHEMATIC (Willcox AMA)
Domestic Well



TD - 725 to 850 ft

FIGURE 1

