

**EXCHANGE IMPLEMENTATION AGREEMENT AMONG
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
THE CITY OF GOODYEAR AND THE CITY OF GLENDALE**

This EXCHANGE IMPLEMENTATION AGREEMENT TO IMPLEMENT THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF GLENDALE, ARIZONA AND THE CITY OF GOODYEAR, ARIZONA, hereinafter referred to as "Exchange Agreement," is made and entered into this _ day of ----· 2024 among the Central Arizona Water Conservation District, hereinafter referred to as "CAWCD," a multi-county water conservation district organized under the laws of the State of Arizona, the City of Goodyear, hereinafter referred to as "Goodyear", and the City of Glendale, hereinafter referred to as "Glendale".

WITNESSETH, THAT:

RECITALS

A. WHEREAS, Goodyear holds an entitlement to 10,742 acre-feet of Project Water pursuant to the "Subcontract Among the United States, the Central Arizona Water Conservation District, and the City of Goodyear, Providing for Water Service, Central Arizona Project, No. 07-XX-30-W0498", hereinafter referred to as "Goodyear's CAP Subcontract".

B. WHEREAS, Article 4.3(d) of Goodyear's CAP Subcontract provides that Goodyear may exchange Goodyear's CAP Water pursuant to separate agreements.

C. WHEREAS, Goodyear desires to enter into the Exchange Agreement with Glendale to exchange Goodyear's CAP Water for Glendale's SRP Water.

D. WHEREAS, CAWCD, Goodyear and Glendale desire to enter into this Exchange Implementation Agreement to set forth supplemental terms regarding, but not limited to, the scheduling, delivery, payment and accounting of Goodyear CAP Exchange Water pursuant to the Exchange Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, CAWCD, Goodyear and Glendale agree as follows:

**ARTICLE 1
DEFINITIONS**

Definitions in Goodyear's CAP Subcontract are applicable to this Agreement. The first letters of terms so defined are capitalized herein. In addition, the following definitions shall apply to this Agreement:

1.1 "Annual CAP Water Delivery Schedule" means the annual water delivery schedule submitted by Goodyear to CAWCD pursuant to Article 4.4 of Goodyear's CAP Subcontract.

1.2 "CAP System Use Agreement" means the CAP System Use Agreement Between the United States and the Central Arizona Water Conservation District dated February 2, 2017 (17-XX-30-W0622), as it may be amended and supplemented.

1.3 "Exchange Agreement" means The Intergovernmental Agreement Between the City of Glendale, Arizona and the City of Goodyear, Arizona, entered into between Goodyear and

Glendale to exchange Goodyear's CAP Water for Glendale's SRP Water, attached hereto as Exhibit A.

1.4 "Glendale's CAP Water" means Glendale's entitlement to Project Water pursuant to Glendale's CAP Subcontract.

1.5 "Glendale's CAP Subcontract" means the "Subcontract Among the United States, the Central Arizona Water Conservation District, and the City of Glendale, Providing for Water Service, Central Arizona Project, No. 07-XX-30-W0493", as amended.

1.6 "Glendale's SRP Water" means one or any combination of Glendale's SRP Association surface water, New Conservation Space water, and Flood Control Space water, and recovered CAP long-term storage credits.

1.7 "Goodyear CAP Exchange Water" means the portion of Goodyear's CAP entitlement that Goodyear has agreed to have delivered to Glendale in exchange for Glendale's SRP Water pursuant to the Exchange Agreement.

1.8 "Goodyear's CAP Water" means Goodyear's entitlement to Project Water pursuant to Goodyear's CAP Subcontract.

1.9 "Project Water" means that water defined as Project Water in the Repayment Stipulation.

1.10 "Repayment Stipulation" means the Stipulated Judgment and the Stipulation for Judgment (including any exhibits to those documents) entered on November 21, 2007, in the United States District Court for the District of Arizona in the consolidated civil action styled Central Arizona Water Conservation District v. United States, et al., and numbered CIV 95-625- TUC-WDB (EHC) and CIV 95-1720-PHX-EHC.

ARTICLE 2 TERM

This Agreement shall be effective when executed by the Parties and shall terminate on the same date as the Intergovernmental Agreement.

ARTICLE 3 GOODYEAR'S CAP SUBCONTRACT CONTROLLING

The terms of Goodyear's CAP Subcontract shall apply to and control the delivery of Goodyear CAP Exchange Water. This Agreement sets forth supplemental terms relating to the use and delivery of Goodyear CAP Exchange Water.

ARTICLE 4 SCHEDULING AND DELIVERY OF GOODYEAR'S CAP EXCHANGE WATER

4.1 On or before October 1 of each year preceding a year during which Goodyear desires CAWCD to deliver Goodyear CAP Exchange Water to Glendale pursuant to the terms of the Exchange Agreement, Goodyear shall identify in its Annual CAP Water Delivery Schedule, the amounts of Goodyear CAP Exchange Water desired to be delivered to Glendale during each month of the following year, and the point(s) of delivery for Goodyear CAP Exchange Water.

4.2 Goodyear CAP Exchange Water shall be delivered at the following CAP turnout(s): Glendale Turnout Right, which was constructed and installed pursuant to Article 4.5 of Glendale's CAP Subcontract, or at such other delivery points, which are constructed and installed in accordance with Article 4.5 of Glendale's CAP Subcontract.

4.3 On or before October 1 of each year preceding a year during which Goodyear desires CAWCD to deliver Goodyear CAP Exchange Water to Glendale, Goodyear and Glendale shall notify CAWCD that an exchange will occur in the following year and the approximate volume of that exchange, which volume shall correspond to the amount of Goodyear CAP Exchange Water identified in Article 4.1.

4.4 The scheduling and delivery of Goodyear CAP Exchange Water shall be subject to the CAP System Use Scheduling Priorities set forth in the CAP System Use Agreement Section 11.1.

4.5 The monthly delivery schedule of Goodyear CAP Exchange Water identified in Article 4.1 may be amended upon Glendale and Goodyear's mutual written request to CAWCD. Proposed amendments shall be submitted no later than 15 days before the desired amendment is to become effective. CAWCD may modify proposed amendments to the monthly water delivery schedule as necessary to conform to previously approved water delivery schedules.

ARTICLE 5 GLENDALE'S RECEIPT AND USE OF GOODYEAR CAP EXCHANGE WATER

5.1 Glendale agrees that its receipt and use of Goodyear CAP Exchange Water shall be subject to the same terms and conditions as set forth in the following provisions of Glendale's CAP Subcontract: Articles 4.3, 4.5, 4.6, 4.8, 4.9, 4.10, 6.1, 6.3, 6.4, 6.5, 6.6, 6.9, 6.10, 6.11 and 6.13.

5.2 CAWCD does not warrant the quality of Goodyear's CAP Exchange Water transported through the CAP System to Glendale pursuant to this Exchange Implementation Agreement and CAWCD is under no obligation to construct or furnish water treatment facilities to main or better the quality. Glendale assumes all responsibility for purifying or otherwise treating Goodyear CAP Exchange Water received to meet applicable water quality standards established by federal, state or local authorities. Glendale waives their rights to make a claim against the United States, the CAWCD or another subcontractor for the quality of Goodyear CAP Exchange Water.

**ARTICLE 6
PAYMENT FOR
GOODYEAR'S CAP EXCHANGE WATER**

6.1 Goodyear agrees to pay all charges established by CAWCD for the delivery of CAP Water, including Goodyear's CAP Exchange Water, pursuant to their Subcontract, including CAP Fixed OM&R Charges and CAP Pumping Energy Charges, which would otherwise have been associated with delivery of their CAP Water order as if no exchange had taken place.

6.2 Goodyear's payment for delivery of CAP Water shall follow the same payment procedure as defined in Goodyear's CAP Subcontract Article 5.

**ARTICLE 7
REPRESENTATIONS AND WARRANTIES**

7.1 Representations and Warranties of Goodyear. Goodyear represents and warrants as follows: (i) Goodyear is a municipality existing under the laws of the State of Arizona; (ii) to the best of Goodyear's knowledge the execution and delivery hereof to CAWCD and the performance by Goodyear of its obligation under this Agreement will not violate the terms or provisions of any agreement, document or instrument to which Goodyear is a party or by which Goodyear is bound; and (iii) all proceedings required to be taken by or on behalf of Goodyear to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken.

7.2 Representations and Warranties of Glendale. Glendale represents and warrants as follows: (i) Glendale is a municipality existing under the laws of the State of Arizona; (ii) to the best of Glendale 's knowledge the execution and delivery hereof to CAWCD and the performance by Glendale of its obligation under this Agreement will not violate the terms or provisions of any agreement, document or instrument to which Glendale is a party or by which Glendale is bound; and (iii) all proceedings required to be taken by or on behalf of Goodyear to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken.

7.3 Representations and Warranties of CAWCD. CAWCD represents and warrants as follows: (i) CAWCD is a multi-county water conservation district duly organized and validly existing under the laws of the State of Arizona; (ii) to the best of CAWCD's knowledge, the execution and delivery hereof to Goodyear and the performance by CAWCD of its obligation under this Agreement will not violate the terms or provisions of any agreement, document or instrument to which CAWCD is a party or by which CAWCD is bound; and (iii) all proceedings required to be taken by or on behalf of CAWCD to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken.

ARTICLE 8 GENERAL PROVISIONS

8.1 Interpretation. This Agreement is governed by and must be construed and interpreted in accordance with and in reference to the laws of the State of Arizona and any applicable federal laws, without regard to its conflict of laws provisions. Any action to resolve any dispute regarding this Agreement shall be taken in a state court of competent jurisdiction located in Maricopa County, Arizona.

8.2 Third Party Rights. The Parties do not intend to create rights in or to grant remedies to any third party or others as a beneficiary of this Agreement or of any duty, covenant, obligation or undertaking established thereunder.

8.3 Assignment. No Party may assign, delegate, or otherwise transfer this Agreement, in interest therein, or the Party's rights or obligations under this Agreement without the prior written consent of the other Party.

8.4 Amendments. This Agreement may be modified, amended or revoked only by the express written agreement of the Parties hereto.

8.5 Waiver. No delay in exercising any right or remedy shall constitute a waiver unless such right or remedy is waived in writing signed by the waiving Party. The waiver by either Party of a breach of any term, covenant, or condition in this Agreement shall not be deemed a waiver of any other term, covenant, or condition of this Agreement.

8.6 Severability. Any determination by any court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable does not affect the validity or enforceability of any other provision of this Agreement; provided, however, that the remainder of this Agreement, absent the excised portion, can be reasonably interpreted to give effect to the intentions of the Parties.

8.7 Captions. All captions, titles, or headings in this Agreement are used for the purpose of reference and convenience only and do not limit, modify, or otherwise affect any of the provisions of this Agreement.

8.8 Notices. Except as otherwise required by law, any notice given in connection with this Agreement must be in writing and must be given by personal delivery, overnight delivery, facsimile, or United States certified or registered mail. Any such notice must be addressed to the appropriate Party at the following address (or at any other address as a Party may hereafter designate by written notice given as required by this paragraph):

CITY OF GOODYEAR:

City of Goodyear
1900 North Civic Square
Goodyear, Arizona 85395
Attn: Water Resources Director

with a copy to:

City of Goodyear
1900 North Civic Square
Goodyear, Arizona 85395
Attn: City Attorney

CITY OF GLENDALE:

City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301
Attn: City Manager

with a copy to:

City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301
Attn: City Attorney

CAWCD:

For delivery use:
c/o General Manager
23636 N. 7th Street
Phoenix, AZ 85024

For U.S. Mail use:
c/o General Manager
P.O Box 43020
Phoenix, AZ 85080-3020

Notice is deemed to have been given on the date on which notice is personally delivered, delivered to an overnight delivery service, transmitted by facsimile or mailed. Notice is deemed to have been received on the date on which the notice is actually received or delivery is refused

8.9 Additional Acts and Documentation. Each Party, upon the request of the other Party, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

8.10 This Agreement is subject to cancellation in accordance with the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

**CENTRAL ARIZONA WATER
CONSERVATION DISTRICT**

Approved as to Form:

By: _____
Secretary

By: _____
President

CITY OF GOODYEAR

Approved as to Form:

By: _____

By: _____

CITY OF GLENDALE

By: _____
Name: Kevin R. Phelps
Title: City Manager

ATTEST:

Name: Julie K. Bower
Title: City Clerk

APPROVED AS TO FORM:

By: _____
Name: Michael D. Bailey
Title: City Attorney

EXHIBIT A

The Intergovernmental Agreement Between the City of Glendale, Arizona
and the City of Goodyear, Arizona

On the following pages

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE
CITY OF GLENDALE, ARIZONA
AND THE CITY OF GOODYEAR, ARIZONA**

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is entered into by and between the City of Glendale, an Arizona municipal corporation (“Glendale”), and the City of Goodyear, an Arizona municipal corporation (“Goodyear”), hereinafter referred to collectively as “the Parties”, or individually as “Party”. This Agreement shall become effective when the last Party signs and the Permit (defined below) is issued (“the Effective Date”).

Recitals

- A. Potable water in Arizona has long been an extraordinarily valuable resource and the Parties are cognizant of the severe drought affecting Arizona and the Colorado River watershed system from which Arizona also draws a portion of its water.
- B. By agreement, the Parties desire to optimize water usage, increase efficiency in transporting water within the Phoenix Metro area, and more efficiently manage the costs of transporting and treating Colorado River water in the Glendale-Goodyear area.
- C. The purpose of this Agreement is to memorialize in writing the arrangement between the Parties regarding the exchange of (1) one or more types of Glendale’s Salt River Project (SRP) Association surface water, New Conservation Space water, Flood Control Space water, and recovered CAP long-term storage credits for an equal amount of (2) Goodyear’s Central Arizona Project Municipal and Industrial water allocation (Goodyear’s CAP water).
- D. The Parties are authorized to enter into this Agreement by A.R.S. §11-952.

Agreement

The Parties agree as follows:

- 1. Incorporation of Recitals.** The Recitals set forth above are incorporated into this Agreement by this reference.
- 2. The Exchange.** Beginning as soon after the Effective Date as the Permit (defined below) has been issued and such exchange water can be reasonably ordered from and delivered by both the Central Arizona Water Conservation District (CAWCD) and SRP in the same quantity by and to both Parties for the then-current calendar year. Additional details of the exchange are set forth in the attached Exhibits A and B.
 - a. Quantity to be Exchanged.** Subject to the annual delivery plan agreement of the parties for each year per the next subsection, for calendar years 2024 and 2025, the

exchanged amount will be up to 7,000 acre-feet of water per year. In the following years, the exchanged amount will be up to 8,500 acre-feet of water per year.

- b. Annual Delivery Plan.** Each year prior to placing water orders, the Parties will meet and confirm in writing to each other the amount of water each Party will order for delivery to the other Party each month in a calendar year, respectively. Nothing in this Agreement binds either Party to agree to exchange water in any quantity for a particular month or water year if there is a good faith reason for the Party to reduce or increase such amount. If extraordinary circumstances arise after the annual delivery plan is agreed upon, which includes: timing issues with approvals of the exchange volumes; shortage calls on the Colorado River beyond the control of the Parties; infrastructure problems; and other circumstances mutually agreed upon by the Parties that adversely impacts a Party's ability to meet its delivery commitments, the Parties will meet and confer to re-evaluate and renegotiate the annual delivery plan, and no liability shall attach to the Party who is unable to honor its annual delivery commitment because of such extraordinary circumstances or to the Party who is unwilling to increase the quantity of water for a particular month or water year in response to a request for such an increase.
 - c. Equal Exchange.** The quantity of exchanged water will be equal each calendar year.
 - d. Goodyear's CAP Water.** Goodyear will order Goodyear's CAP water through CAWCD, to be delivered to Glendale at the turnout for Glendale's Pyramid Peak Water Treatment Plant in accordance with the Parties' annual written delivery plan.
 - e. Glendale's Water.** Glendale will order Glendale's water through SRP for delivery through the SRP canal system to the Goodyear Surface Water Treatment Facility intake. Glendale's water may consist of one or any combination of Glendale's SRP Association surface water, New Conservation Space water, and Flood Control Space water, and recovered CAP long-term storage credits, so long as such water is delivered to Goodyear in an annual quantity equal to the Goodyear CAP water ordered by Goodyear for delivery to Glendale.
 - f. Exchange Permit.** The water exchange in this Agreement requires a permit under A.R.S. section 45-1041 *et seq.* ADWR's issuance of the permit is a condition precedent to the effectiveness of this Agreement. Glendale will submit an application for a general use water exchange permit to the ADWR. The permit application shall specify that Goodyear and Glendale will each be able to use the water exchanged in any manner authorized by law. Glendale shall pay all permit application and publication fees.
- 3. Water Costs.** Goodyear will be responsible to timely pay all capital and operational and other costs due for Goodyear's CAP water pursuant to Goodyear's subcontract with CAWCD. Glendale will reimburse Goodyear for the SRP CSIF-costs for delivery of Glendale's water to Goodyear (the "Goodyear CSIF Costs"). Glendale will reimburse

Goodyear for the Goodyear CSIF Costs for the exchanged volume promptly. The Goodyear CSIF Costs are defined as those costs described in paragraph 13.1 and 13.2 of the CAP/SRP Interconnection Facility Lease and Water Transportation Agreement among Goodyear and SRP dated February 7, 2017, as amended and as such costs are adjusted annually, for the quantity of water taken by Goodyear pursuant to this exchange Agreement, plus 10% of the administrative fee per year as annually adjusted in paragraph 13.3.

4. **Term.** The term of this Agreement shall be ten (10) years, beginning with the calendar year 2024. This Agreement may be extended for additional calendar years by the mutual written agreement of the Parties starting January 1, 2034. This Agreement may be terminated earlier upon the mutual written consent of the Parties.
5. **Indemnification.** Each Party (as “indemnitor”) agrees to indemnify, defend and hold harmless the other Party (as “indemnitee”) from and against any and all claims, losses, liability, costs or other expenses including reasonable attorney’s fees (hereinafter collectively referred to as “claims”) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct or other fault of the indemnitor, its officers, officials, agents, employees or volunteers.
6. **Default, Breach, Remedies and Premature Termination.** If either Party fails to perform any of its obligations under this Agreement, such failure shall constitute a default. The non-defaulting Party shall give the defaulting Party written notice of the default. The defaulting Party shall have thirty (30) days after the receipt of such notice in which to cure the default, provided however, that if the default reasonably cannot be cured in thirty (30) days, then if the defaulting Party begins action to cure the default within thirty (30) days and expeditiously proceeds to complete such action, the time for curing the default shall be extended for the amount of time which is reasonably needed to cure the default. Failure to timely cure the default shall constitute a breach of this Agreement. In the event of a breach, the non-breaching Party may terminate this Agreement and obtain any remedy provided by law.
7. **Severability and Premature Termination.** If a court of competent jurisdiction holds, or if the Attorney General of Arizona opines in a written opinion, that any provision of this Agreement is invalid, then the invalid provision shall be stricken from this Agreement, and the Parties shall negotiate in good faith using their best efforts to revise this Agreement so that the Party that benefitted by the invalid provision receives the benefit of its bargain. At the conclusion of such negotiations, the Party that benefitted by the invalid provision may elect to continue this Agreement in force, with or without additional modification, or may elect to terminate this Agreement.
8. **Premature Termination for Other Reasons.** Either Party may terminate this Agreement for the reasons stated in A.R.S. § 38-511. If a court of competent jurisdiction holds, or if the Attorney General of Arizona opines in a written opinion, that the duration of this

Agreement is unlawful, then the duration of this Agreement shall extend for the longest period of time which is permissible by law, at the end of which time this Agreement shall terminate; provided however, that prior to such termination the Parties shall use their best efforts in good faith to negotiate a lawful extension of this Agreement.

- 9. Assignment and Delegation Prohibited.** Neither Party may assign any of its rights nor delegate any of its duties under this Agreement without the prior written consent of the other Party which may be withheld for any reason or for no reason.
- 10. No Third-Party Beneficiaries.** Only the Parties may enforce this Agreement. The Parties do not intend through this Agreement to confer enforceable rights on any non-party and do not intend to create any third-party beneficiaries to this Agreement.
- 11. Governing Law; Choice of Forum.** This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Arizona. Any action brought to interpret, enforce, or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa.
- 12. Fair Interpretation.** The Parties have been represented by counsel in negotiation and drafting this Agreement, and this Agreement shall be construed to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the party who drafted a provision shall not be employed in interpreting this Agreement.
- 13. Entire Agreement.** This Agreement, including the attached Exhibits, constitutes the complete, exclusive, and final expression of the Parties' intent, and as such, supersedes all previous communications, representations, or agreements, written or verbal with respect to its subject matter.
- 14. Section Heading.** The section headings used herein are for reference only and shall not be used to construe, define, extend, or describe the scope or intent of this Agreement.
- 15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all so executed shall constitute one agreement, binding on the Parties.
- 16. Notice.** Except as otherwise required by law, all notices given pursuant to the terms of this Agreement shall be in writing and shall further be deemed received upon personal delivery or transmission via telecopy thereof or if mailed, five (5) business days after deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested, to the Parties at the addresses set out below, or at such other address as either Party may designate in writing:

If to Goodyear: City of Goodyear
 1900 North Civic Square
 Goodyear, Arizona 85395
 Attn: Water Resources Director

with a copy to: City of Goodyear
1900 North Civic Square
Goodyear, Arizona 85395
Attn: City Attorney

If to Glendale: City of Glendale
7070 West Northern Avenue
Glendale, Arizona 85303
Attn: Water Resources Director

with a copy to: City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301
Attn: City Attorney

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

CITY OF GLENDALE

CITY OF GOODYEAR

By: _____
Mayor

By: _____
Mayor

Dated: _____

Dated: _____

ATTESTED BY

ATTESTED BY

City Clerk

City Clerk

ATTORNEY CERTIFICATION

In accordance with A.R.S. § 11-952, the undersigned certify that the foregoing Amendment has been reviewed by the undersigned attorneys who have determined that the Agreement as amended is in proper form and is within the powers and authority granted to the public body represented by each attorney.

Attorney for City of Goodyear

Attorney for City of Glendale

Exhibit A

Exchange Details

Ordering Process:

Glendale will request the monthly and annual volume of the water exchange by notifying Goodyear's Water Resource Director before September 1st of the year preceding the year of the exchange. Glendale will deliver Glendale's written request to Goodyear, SRP, and CAWCD for approval. If approved or revised, the agreed amount of the exchange will be ordered by Goodyear for delivery to Glendale for the following year.

Changes may be made to the annual order if extraordinary circumstances arise. Extraordinary circumstances include: timing issues with approvals of the exchange volumes; shortage calls on the Colorado River beyond the control of the Parties; infrastructure problems; and other circumstances mutually agreed by the Parties.

No water orders were placed for calendar year 2024. If ADWR issues the Permit in 2024, then the Parties will confer with SRP and CAWCD to determine the amount of water that can be exchanged and mutually delivered in calendar year 2024.

Type of Water:

The type(s) of water and associated volumes (in acre-feet) will be listed on the order request in priority of use in the exchange. The type of water for the exchange can be adjusted during the year if agreed upon by the Parties. No unrecovered water held as long-term storage credits will be part of the exchange.

Availability of CAP and SRP Supplies for the Order:

During each year of exchange, if a Party becomes aware of a shortage in the Party's water available to complete the exchange, the Party will promptly notify the other Party, and the Parties will modify the exchange orders to reflect the unforeseen circumstances. It is mutually understood by the Parties that the quantity of CAP water is subject to shortage declarations outside Goodyear's control.

Exhibit B

Exchange Cost Estimates

Estimated Costs

Goodyear will pay all costs assessed for delivery of the Goodyear CAP water by CAWCD.

Glendale will pay all costs of the recovery and delivery of Glendale’s water to Goodyear. Glendale will reimburse Goodyear for the cost of SRP CSIF charges paid by Goodyear for the volume of exchanged water given by Goodyear to Glendale (defined in the Agreement as the “Goodyear CSIF Costs”). Estimated total costs are listed in the table below:

	Exchange Volume (acre-feet)	Estimated Cost to Glendale¹	Estimated Total Cost to Glendale² (2024)
2024	7,000	\$112,700	\$113,013
2025	7,000	\$116,306	\$116,629
2026	8,500	\$145,749	\$146,082
2027	8,500	\$150,413	\$150,757
2028	8,500	\$155,226	\$155,581
2029	8,500	\$165,319	\$165,685
2030	8,500	\$170,609	\$170,987
2031	8,500	\$176,069	\$176,459
2032	8,500	\$181,703	\$182,105
2033	8,500	\$187,518	\$187,947

¹ – Calculated by multiplying Goodyear’s CSIF per acre-foot use fee (2024) of \$16.10 by the maximum exchanged volume per year. After 2024 there is an added estimated annual inflationary increase of 3.2%.

² – Includes 10% of Goodyear’s CSIF Administrative Fee per year. As of 2024, the CSIF Administrative Fee is \$3,127.91 and after 2024, the fee will be adjusted by an annual inflationary increase of 3.2%.

All permitting and associated fees for the exchange permit application and additional costs of the exchange shall be the responsibility of Glendale.

Invoices

Goodyear will invoice Glendale by January 30th for the Goodyear CSIF costs incurred for the exchanged water in the preceding year.

Glendale will pay the invoice sent by Goodyear 30 days after receipt of invoice.